

# Comprehensive Annual Financial Report



**City of  
Amherst, Ohio**

**For the Year Ended  
December 31, 2011**





# Dave Yost • Auditor of State

City Council  
City of Amherst  
480 Park Avenue  
Amherst, Ohio 44001

We have reviewed the *Independent Auditor's Report* of the City of Amherst, Lorain County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 22, 2012

**City of Amherst, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2011**

Prepared by:  
David Kukucka, City Auditor

## **Introductory Section**

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# City of Amherst, Ohio

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# *City Of Amherst*

David C. Kukucka, Auditor

Auditor's Office  
480 Park Avenue  
Amherst, Ohio 44001  
Phone: 440-988-3742  
Fax: 440-984-2808

Lvpg"28, 2012

Honorable Mayor  
Members of City Council and  
Citizens of Amherst, Ohio

We are pleased to submit to you the City of Amherst's tenth Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2011.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to present fairly the financial position and results of operations of the City as measured by financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding to the City's financial activity have been included.

This transmittal letter should be read in conjunction with Management's Discussion and Analysis, which provides a narrative introduction, overview, and analysis of the basic financial statements.

## **The Reporting Entity**

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity". In evaluating how to define the City of Amherst for financial reporting purposes, management has considered all agencies, departments and organizations making up the City (the primary government) and its potential component units.

Numerous entities operate within the City's geographical boundaries. These entities have been excluded from the accompanying financial statements because the City cannot legally access their resources, the City has no obligation to finance deficits or provide financial support to them and the City is not obligated for their debts.

## THE CITY

### General Introduction

The City is located in Lorain County in northeastern Ohio, approximately 28 miles west of Cleveland. The Village of Amherst was founded in 1811, and was incorporated in 1962.

In the 2000 (most recent available) Census classifications, the City was in the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Metropolitan Statistical Area (CMSA). Effective in 2003, the PMSA was redefined to exclude Ashtabula County and was re-classified as the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA). The CMSA was re-classified as the Cleveland-Akron-Elyria Combined Statistical Area (CSA). Only limited statistics are now available for information collected during the 2010 Census.

The City's 2010 population of 12,021 placed it as the fifth largest city in the County.

The City's area is approximately 5.26 square miles, broken down by land use as follows:

Percent of Assessed Valuation of Real Property (Collection Year 2011)	
Residential	81.38%
Commercial/Industrial	18.09
Public Utility	0.53
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

The City is served by diversified transportation facilities, including three State and U.S. highways and I-90 and I-80 (the Ohio Turnpike). Public mass transit for the area is provided by the Lorain County Transit System.

The City features a good mix of high-tech business, a quaint downtown, an excellent school system, and a safe place to learn and live. The City is served by three medical centers: Community Health Partners, 3.5 miles north of the City, which also has the Community Cancer Center, five miles east of the City; Allen Medical Center, 7.5 miles south of the City; and EMH Regional Health Center, approximately 15 miles from the City. Also located in the City is Amherst Hospital, specializing in orthopedics and specialty care. All are served by the MetroHealth Medical Center Life Flight helicopter and Life Care ambulance service.

The City owns and operates five parks including the 72-acre Amherst Beaver Creek Reservation, in conjunction with the Lorain County Metropolitan Park District. The City also operates one public swimming pool and various soccer fields and Vietnam Veteran Memorial throughout the City.

Banking and financial services are provided to the City residents and businesses by offices of local commercial banks and savings and loan associations such as Fifth Third, Lorain National, U.S. Bank, J.P. Morgan Chase and First Federal Savings of Lorain.

The City is within commuting distance of several public and private two-year and four-year colleges and universities which provide a wide range of educational facilities and opportunities. These include Kent State University, the University of Akron, Cleveland State University and Bowling Green State University (Firelands campus) (four of Ohio's 13 state universities), Lorain County Community College (which includes the University Partnership Program), Cuyahoga Community College, Ashland University, Oberlin College, Baldwin-Wallace College, John Carroll University and Case Western Reserve University. The Lorain Business College also is located in the County.

#### City Government

The City operates under and is governed by mayor-council format in accordance with general laws. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the president of council, who is elected for a two-year term and votes only in case of a tie.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term.

The Mayor appoints the directors of City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees and those of the City Auditor, the City Treasurer and the Director of Law.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

All elected officials serve part-time, except the Mayor.

#### City Facilities

The City's facilities estimated replacement value is \$43,309,501.

City property is exempt from ad valorem taxation. The estimated values are based on current insurance replacement values.

The City currently carries real property and contents casualty insurance in the amount of \$43,309,501, with a deductible of \$5,000.

## Economic and Demographic Information

Population				
Recent Census population has been:				
<u>Year</u>	<u>City</u>	<u>County</u>	<u>CMSA</u>	<u>PMSA(a)</u>
1970	9,902	256,843	3,098,513	2,418,809
1980	10,638	274,909	2,938,277	2,277,949
1990	10,332	271,126	2,859,644	2,202,069
2000	11,797	284,664	2,945,831	2,250,871
2010	12,021	301,356	N/A	N/A

N/A – not available at time of report.

(a) The new MSA was redefined, effective 2003, to exclude Ashtabula County.

### Utilities; Public Safety and Services

Water service within the City is provided by the City water system and is purchased by the City and distributed by the City to consumers. Sewage collection and disposal is provided by the City. Electricity is purchased and distributed by the City (with approximately 2% of the customers being supplied by Ohio Edison), and natural gas is supplied by Columbia Gas of Ohio, Inc. Fire protection is provided by the City's 33-member Volunteer Fire Department. Solid waste collection is by subscription and is provided by AWS. The City is not involved, although it does contract annually with AWS through the County to provide a Blue Bag recycling program. Solid waste is sent to a Lorain County landfill owned by AWS.

The City owns and operates a sanitary sewer system consisting of a wastewater treatment plant, 69 miles of sanitary sewers and six pump stations, and serving approximately 4,886 residential and commercial users living both within and outside the City. The treatment plant was built in 1927, expanded in 1956, 1970 and 1986, and upgraded in 1990, 1994, and 2005. The City is currently in compliance with State environmental laws. The City has a National Pollutant Discharge Elimination System Permit. With the expanded plant the quantity of sewage permitted to be treated was increased.

The City's electric distribution system consists of two substations, 51 miles of overhead lines and approximately 17 miles of underground lines, and serves approximately 5,805 residential and commercial users within and outside the City. The City began to operate an electric utility during the 1920s. During the 1940s, it constructed an electric generating plant and began providing electric service to residential and commercial customers from its generating facilities and electricity purchased from commercial sources. In the early 1950s, the City retired its generating plant but continued distributing electric power purchased from other sources. The electric system was renovated in 1972 and 1980. In 1988, the entire system was upgraded with a new substation on the City's west side and in 1999, the City rebuilt the Gordon Avenue substation. In 1992, the City entered into a contract with American Municipal Power – Ohio, Inc. (AMP-Ohio) under which AMP-Ohio agreed to supply 100% of the electricity required by the City. In 2000, the Northeast Service Group entered into a joint venture (JV1) agreement to purchase peak generation. In 2007, the City entered into an agreement with AMP-Ohio to purchase capacity from AMP-Ohio proposed ownership interest in Prairie State Energy Campus and AMP-Ohio Hydroelectric Projects.

The City owns and operates a water distribution system with over 70 miles of water lines. The City purchases water from the Cities of Elyria and Lorain and distributes it to approximately 5,909 residential and commercial users within and outside the City. The system was built in 1911, renovated in 1964, 1968 and 1990 and most recently expanded in 1996. The initial terms of the contract with Elyria expire on December 31, 2025, with a right to continue in five year increments until either party wishes to terminate giving a two year notice. The City's contract with Lorain expires on December 31, 2015.

## Economic Activity

The City is primarily a residential community. However, offices of the Nordson Corporation, an industrial application equipment manufacturer founded by City native Walter G. Nord, are located in the City. Nordson offices located in the City include, among others, divisions of their customer service center, automotive, container systems, electronics and coating business groups. Nordson has offices worldwide and is one of the world's leaders in the production of precision dispensing equipment that applies adhesives, sealants and coatings to consumer and industrial products during manufacturing operations.

The Nord Family Foundation, one of the successors to the charitable trust originally established by Walter G. Nord in 1952, is also located in the City. The Foundation has contributed over \$70 million to charitable and philanthropic purposes predominantly in northern Ohio.

Amherst Hospital is under the umbrella of The EMH Regional Medical Center and now has an emergency room capacity of nine patients.

In 1999, the City annexed 57 acres of land southeast of the City. In 2000 Council voted to maintain the zoning on this land as light industrial use so that the tax base of the City might be expanded and diversified. Work has begun on an industrial park at the location. Penton Honda, a motorcycle sales and repair facility, has opened operations on the site. The City continues to discuss the possibility of annexing more property in the same southeastern area.

In 2009, Carolinas Furniture and Mattress Outlet opened on Oak Point Road, and Subway opened a third location in the City.

During 2010, a Panera Bread location was opened in the City. Cloverdale Farms LLS is contemplating expanding its operation in the City of Amherst by investing approximately \$3,000,000 to remodel its current site. Cloverdale is also planning to add 452 new jobs beyond its original 101 jobs. Through the end of 2011, they presently have approximately 200 total jobs.

## FINANCIAL MATTERS

### Introduction

The City's Fiscal Year corresponds with the calendar year.

The main sources of City revenue have been and are property and income taxes, and State distributions, as described below.

The responsibilities for the major financial functions of the City are divided among the Mayor, City Auditor (the Fiscal Officer), City Treasurer, and the Council. Other important financial functions include general financial recommendations and planning by the Mayor; budget preparation by the Mayor with the assistance of the City Auditor; and express approval of appropriations by the Council.

The City Auditor is the City's fiscal and chief accounting officer. Among that officer's duties are to keep the books and accurate statements of all moneys received and expended and of all taxes and assessments; at the end of each Fiscal Year, or more often if requested by the Council, to examine all accounts of City officers and departments; and not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or a voucher to be paid unless sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn.

The City Treasurer is responsible for receiving, maintaining custody of investing, and disbursing all City funds. Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all subdivisions. The City Treasurer is responsible for those investments and deposits. Under recent and current practices, and the City's adopted investment policy, in addition to deposits evidenced by interest bearing certificates of deposit, investments are made in the State Treasurer's subdivision investment pool (STAR Ohio) and other banking organizations.

For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

#### Budgeting, Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, tax levies and appropriations are made in the Revised Code, including a requirement that the City levy a property tax in a sufficient amount, with any other moneys available for the purpose, to pay the debt charges on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, which is comprised of the county auditor, treasurer and prosecuting attorney. However, a county budget commission may waive the requirement for a tax budget and require alternative form of more limited information required by the commission to perform its duties. The Lorain County Budget Commission has not yet waived the requirement or permitted an alternative form of a tax budget from the City.

The Lorain County Budget Commission then determines and approves levies for debt charges outside and inside the ten-mill limitation. The Revised Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein." The Lorain County Budget Commission then certifies to each subdivision its action on the tax budget together with the estimate by the county auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the taxing authority (the Council in the case of the City) approves the tax levies and certifies them to the county auditor. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually in February and the second in July.

The Council adopts a temporary appropriation measure and then, by April 1, a permanent appropriation measure for that Fiscal Year. Although called "permanent," the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the Lorain County Budget Commission's official estimates of resources, and the County Auditor must certify that the City's appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates.

#### Financial Reports and Audits

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.



City receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor which are generally applicable to all Ohio political subdivisions. Beginning with Fiscal Year 1999, the records of these cash receipts and expenditures have been converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) including, most recently, GASB Statement 34. Those principles, among other things, provide for a full accrual basis of accounting for the government-wide financial statements, modified accrual basis of accounting for the general fund, all special revenue funds, capital projects funds, and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures, and statements showing changes in fund balances.

#### Awards

The City has issued a Comprehensive Annual Financial Report (CAFR), including General Purpose Financial Statements for each of the years ended December 31, 1999 through 2001 and Basic Financial Statements each of the years ended December 31, 2002 through 2010. The CAFRs through December 31, 2010 were awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental reporting agencies that comply with the GFOA reporting standards. The City has submitted its 2011 CAFR to GFOA for consideration.

The City also received the Making Your Tax Dollars Count Award from the Auditor of State for excellence in financial reporting in connection with the 2006-2010 CAFRs. Fewer than five percent of all Ohio government agencies are eligible for this award. The City is the only governmental entity in Lorain County to have received this prestigious award.

Audits are made by the State Auditor, or by CPAs at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the City's financial records is made.

The most recent audit (including compliance audit) of the City's accounts by Balestra, Harr & Scherer CPA's, Inc., an independent accounting firm, was completed for the year ended December 31, 2010. The Basic Financial Statements of the City for the year ended December 31, 2011, have been audited by Balestra, Harr & Scherer CPA's, Inc., independent auditors, as stated in their report appearing in these statements.

Annual financial reports are prepared by the City, and filed as required by law with the State Auditor after the close of each year.

#### Internal Control

The management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control 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 require estimates and judgments by management.

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

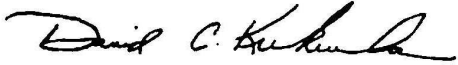
## Acknowledgements

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Auditor's Department. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation.

Special appreciation is expressed to Balestra, Harr & Scherer Consulting for assistance in planning, designing and reviewing this financial report.

In closing, I would also like to thank the Mayor and the members of Amherst City Council, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David C. Kukucka". The signature is fluid and cursive, with a long horizontal stroke at the end.

David C. Kukucka  
Amherst City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Amherst  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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



*Linda C. Danison*

President

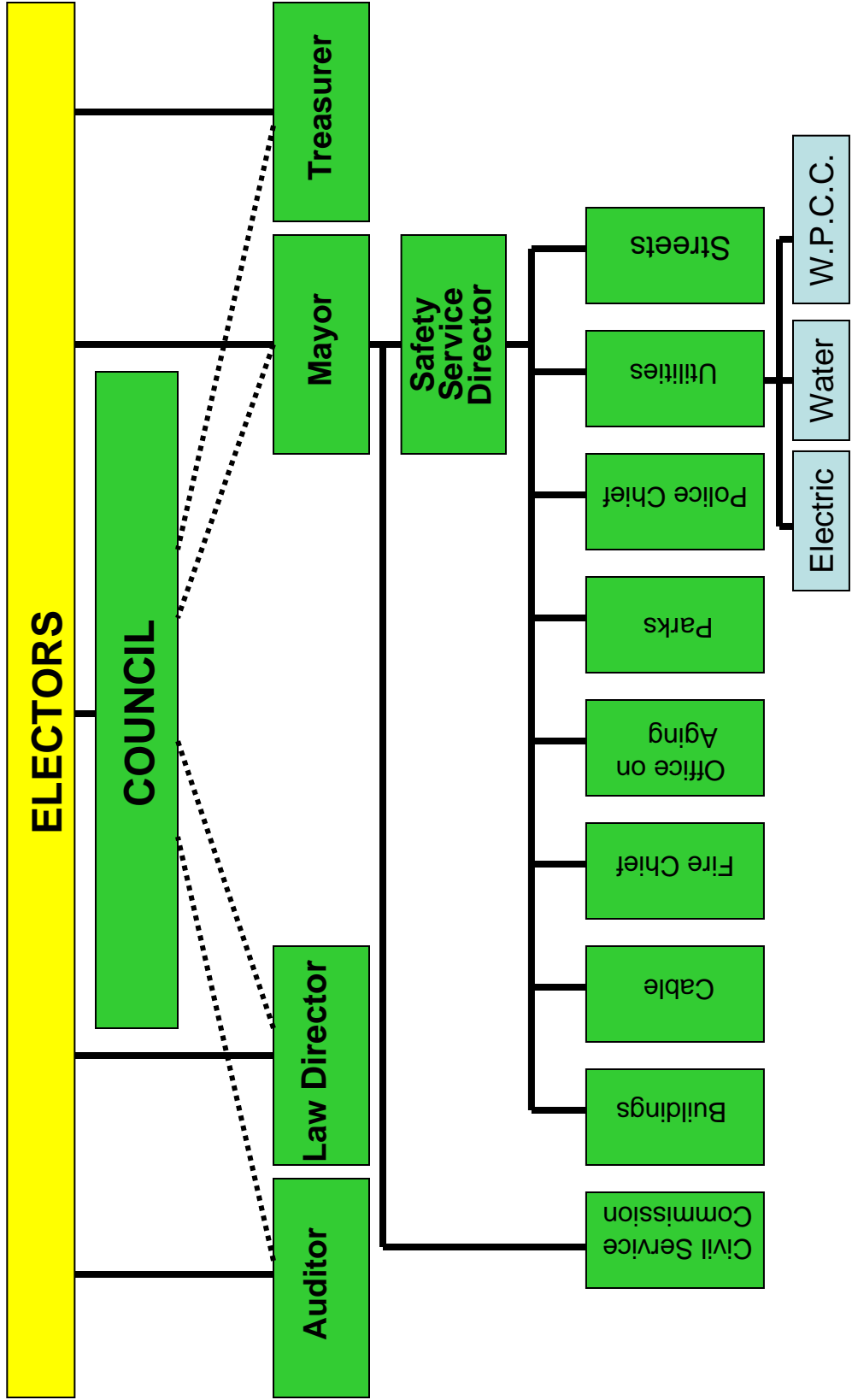
*Jeffrey R. Emer*

Executive Director

# Management Structure

City of Amherst

## Departmental Organizational Chart



**City of Amherst, Ohio**  
Principal Officials

---

***Elected Officials***

Mayor .....	David G. Taylor
President of Council .....	John S. Dietrich
Council Member Ward 1 .....	Steve Bukovac
Council Member Ward 2 .....	Glenn E. Loughrie
Council Member Ward 3 .....	Joseph R. Gambish
Council Member Ward 4 .....	Jennifer L. Scott-Wasilk
Council Member – At large .....	Frank Janik
Council Member – At large .....	Terrence A. Traster
Council Member – At large .....	Phil Van Treuren
Auditor .....	David Kukucka
Director of Law .....	Anthony R. Pecora
Treasurer .....	Mark Hullman

***Appointed Officials***

Council Clerk .....	Olga Sivinski
Secretary to the Mayor and Safety/Service Director .....	Jami L. Anderson
Assistant Law Director .....	Frank S Carlson
Civil Assistant to Law .....	Abraham Lieberman
Safety/Service Director .....	Dennis R. Clotz
Deputy Auditor .....	Richard Pless
Budgetary Clerk .....	Keri Celik
Income Tax Secretary .....	Laura Kemp
Treasurer’s Administrative Assistant .....	Karen Flynn
Building Inspector .....	Timothy Reynolds
Utilities Superintendent .....	Ron Merthe
Amherst Area Office on Aging Director .....	Nina Lorandaeu
Police Chief .....	Joseph K. Kucirek
Fire Chief .....	Wayne Northeim
Park Commission Chairman .....	Gordon Brown

## **Financial Section**



# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

## Independent Auditor's Report

City of Amherst  
Lorain County  
480 Park Avenue  
Amherst, Ohio 44001

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 Amherst, Lorain County, Ohio (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type-activities, each major fund and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio, as of December 31, 2011 and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and Street Maintenance and Repair Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

As described in Note 16, the City of Amherst adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



Balestra, Harr & Scherer, CPAs, Inc.

June 26, 2012



## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2011**

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The discussion and analysis of the City of Amherst's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

#### **Financial Highlights**

Key financial highlights for 2011 are:

- Total assets increased by \$89,975 or a .1 percent increase from 2010.
- Total net assets increased by \$930,063 or a 1.6 percent increase over 2010.
- Total net capital assets increased by \$584,925, or a 1.3 percent increase from 2010.
- Total outstanding long-term liabilities decreased by \$1,106,041. This was a 7.8 percent decrease from 2010 due primarily to the payment of principal during 2011.
- City income tax revenue for governmental activities increased \$101,750, or a 2.6 percent increase from 2010.

#### **Using this Comprehensive Annual Financial Report (CAFR)**

The major portion of this annual report consists of a series of financial statements and explanatory notes. The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Fund financial statements provide the next level of detail. For governmental activities, these statements demonstrate how these services were financed in the short-term as well as what dollars remains for future spending. Individual fund financial statements also report the City's operations in more detail than the government-wide statements.

#### ***Reporting the City as a Whole***

##### *Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did the City do financially during 2011?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. The changes in net assets are important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

## **City of Amherst, Ohio**

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2011**

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The *Statement of Net Assets* and the *Statement of Activities* are divided into the following categories:

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

#### ***Reporting the City's Most Significant Funds***

##### ***Fund Financial Statements***

The presentation of the City's major funds begins on page 18. Fund financial statements provide detailed information about the City's major funds based on restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Amherst, the major funds are the General, Street Maintenance Repair, Street Improvement Income Tax, Water, Sewer, and Electric Funds.

##### ***Governmental Funds***

Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

##### ***Proprietary Funds***

Proprietary funds (the Water, Sewer and Electric Funds) have historically operated as enterprise funds using the same basis of accounting as business-type activities, therefore, these statements will essentially match the information provided in statements for the City as a whole.

## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### For the Year Ended December 31, 2011

#### The City as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2011 compared to 2010.

**Table 1**  
**Net Assets**

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 13,345,987	\$ 13,827,372	\$ 14,300,256	\$ 14,313,821	\$ 27,646,243	\$ 28,141,193
Capital assets, net	23,972,500	23,044,223	21,605,440	21,948,792	45,577,940	44,993,015
Total assets	<u>37,318,487</u>	<u>36,871,595</u>	<u>35,905,696</u>	<u>36,262,613</u>	<u>73,224,183</u>	<u>73,134,208</u>
Current and other liabilities	2,174,755	1,650,838	533,372	791,336	2,708,127	2,442,174
Long-term liabilities:						
Due within one year	341,124	334,349	1,028,938	992,055	1,370,062	1,326,404
Due in more than one year	3,289,687	3,440,095	8,338,875	9,338,166	11,628,562	12,778,261
Total liabilities	<u>5,805,566</u>	<u>5,425,282</u>	<u>9,901,185</u>	<u>11,121,557</u>	<u>15,706,751</u>	<u>16,546,839</u>
Invested in capital assets net of related debt	21,005,542	19,761,957	12,986,065	12,497,793	33,991,607	32,259,750
Restricted for:						
Capital projects	4,892,597	5,203,193	-	-	4,892,597	5,203,193
Debt service	428,456	409,208	-	-	428,456	409,208
Other purposes	2,434,810	1,637,405	-	-	2,434,810	1,637,405
Unrestricted	<u>2,751,516</u>	<u>4,434,550</u>	<u>13,018,446</u>	<u>12,643,263</u>	<u>15,769,962</u>	<u>17,077,813</u>
Total net assets	<u>\$ 31,512,921</u>	<u>\$ 31,446,313</u>	<u>\$ 26,004,511</u>	<u>\$ 25,141,056</u>	<u>\$ 57,517,432</u>	<u>\$ 56,587,369</u>

Total assets remained consistent with the prior year increasing by \$89,975 from 2010 to 2011. Current and other assets decreased \$494,950 while capital assets increased \$584,925. The decrease to Current and other assets is due primarily to a decrease in Equity in pooled cash and investments. The increase to capital assets is due to current year additions, which was partially offset by depreciation.

Total liabilities decreased by \$840,088, primarily due to the affect of long term debt payments during the year.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2011

Table 2 shows the changes in net assets for 2011 compared with 2010.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for services	\$ 629,290	\$ 536,156	\$ 15,042,402	\$ 15,181,622	\$ 15,671,692	\$ 15,717,778
Operating grants and contributions	596,887	781,528	-	-	596,887	781,528
Capital grants and contributions	332,017	16,906	-	-	332,017	16,906
Total program revenues	1,558,194	1,334,590	15,042,402	15,181,622	16,600,596	16,516,212
General revenues:						
Property taxes	1,341,931	1,400,921	-	-	1,341,931	1,400,921
Municipal income taxes	4,031,292	3,929,542	-	-	4,031,292	3,929,542
Grants and entitlements	670,001	694,228	-	-	670,001	694,228
Investment earnings	89,343	78,161	-	-	89,343	78,161
Miscellaneous income	82,382	192,457	21,914	91,956	104,296	284,413
Unrestricted contributions	4,296	19,522	-	-	4,296	19,522
Total general revenues	6,219,245	6,314,831	21,914	91,956	6,241,159	6,406,787
Total revenues	7,777,439	7,649,421	15,064,316	15,273,578	22,841,755	22,922,999
Program Expenses:						
General government	1,253,538	1,167,524	-	-	1,253,538	1,167,524
Security of persons and property	3,630,708	3,685,288	-	-	3,630,708	3,685,288
Public health and welfare	182,119	181,171	-	-	182,119	181,171
Transportation	2,158,982	2,153,207	-	-	2,158,982	2,153,207
Community development	120,958	136,730	-	-	120,958	136,730
Leisure time activities	208,193	192,890	-	-	208,193	192,890
Interest and fiscal charges	156,333	143,550	-	-	156,333	143,550
Water	-	-	2,455,719	2,535,722	2,455,719	2,535,722
Sewer	-	-	2,211,743	2,455,905	2,211,743	2,455,905
Electric	-	-	9,533,399	9,252,218	9,533,399	9,252,218
Total program expenses	7,710,831	7,660,360	14,200,861	14,243,845	21,911,692	21,904,205
Change in net assets	66,608	(10,939)	863,455	1,029,733	930,063	1,018,794
Net Assets, Beginning of Year	31,446,313	31,457,252	25,141,056	24,111,323	56,587,369	55,568,575
Net Assets, End of Year	\$ 31,512,921	\$ 31,446,313	\$ 26,004,511	\$ 25,141,056	\$ 57,517,432	\$ 56,587,369

## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2011**

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##### *Governmental Activities*

Several revenue sources fund the City's governmental activities. These sources are grouped as either program or general revenues. City income tax contributes the largest share of resources for the governmental activities; constituting more than fifty percent of the total revenues. City Ordinance 67-50 passed on 9-25-67 established Amherst City income tax. Chapter 191 of the Codified Ordinances of the City of Amherst Ohio discusses the subject in depth.

Although the City income tax produces the largest share of revenue in the governmental activities, only approximately 20% of the residents in Amherst pay the 1½% income tax. Residents working outside of the city are forgiven 1% of the 1½% - "It is the intent of this section that a resident who pays tax to another municipality shall not pay tax to the City of Amherst on the same income in excess of one-half of one percent (1/2%)"(191.16(a)).

The one-half percent that those residents do pay to the city "shall be appropriated to a separate fund established for the purposes of street resurfacing, the installation and maintenance of improvements and appurtenances necessary thereto and the purchase of equipment necessary therefore. (Ordinance 90-16; passed 4-9-90)". The ½% "forgiveness" portion; and a voted ½% increase in the general income tax "for the purpose of street resurfacing, the installation and maintenance of improvements and appurtenances thereto, and the purchase of equipment necessary therefore" that was effective January 1, 1991 with a limitation of 10 years renewed to December 31, 2010 were reported in the Street Improvement Income Tax Fund. Each year the Street Improvement Income Tax Fund funds the street resurfacing projects. In addition the Street Improvement Income Tax Fund provides the matching funds for the City's Issue II projects. This means that the City has had an aggressive street improvement program for the past thirteen years. The one-half percent was renewed commencing January 1, 2010 for a period of 10 years terminating on December 31, 2019. The use of which will be divided equally as per Ordinance 09-24 passed June 22, 2010, with ¼% being reported in the Street Improvement Income Tax Fund for the purpose of street resurfacing, the installation and maintenance of improvements, and the purchase of equipment, with the remaining ¼% to be allocated to the General Fund.

The municipal income tax has two basic weaknesses: 1) The small percentage of residents actually paying the full 1½% income tax and contributing to the General Fund and 2) the instability of that income in a poor economy. The general slow growth of the economy have adversely affected our collection of the 1½% income tax that constitutes the major source of revenue for the General Fund. This situation is being addressed by the City attempting to diversify the local economy.

General property taxes are also a significant source of revenues. Although this is a much more stable tax, property taxes constitute only about 22% of the general revenues for the City. In addition to the general property taxes, the City has a one-mill levy for the Fire Apparatus Levy Fund. Although the operating expenses of the Fire Department come from the General Fund, the Fire Apparatus Levy Fund provides resources for all equipment and facility maintenance.

Intergovernmental revenues, particularly local government subsidies have, in the past, provided a very stable, predictable and significant contribution to the City's General Fund. Over the past several years, local government subsidies have become less stable with State Budget cuts and county distribution formulas being challenged in court. Estate taxes have also been a significant contributor to this City's budget, but much less stable and not at all predictable. Both of these forms of intergovernmental taxes are at risk due to budget concerns at the State level.

Miscellaneous forms of income are becoming more important in the current economic climate. The City has been diligent recently about making efforts to see that charges for services we provide, particularly to other governmental entities, completely cover the cost of providing those services. Efforts have been made to adjust the pool membership fees to meet the cost of operating the pool. The Fire Department has negotiated new contracts to cover our cost of providing fire protection in the township.

## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### For the Year Ended December 31, 2011

The City has pursued grants and donations to help fund particular projects that might have been funded through the General Fund. Grants have helped fund park projects, police work, the renovation of City Hall, beautification efforts, and downtown revitalization.

The capital grants and contributions increased by \$315,111 in the governmental activities due to the completion of additional projects. Miscellaneous revenue decreased due to less revenue received in the current year from miscellaneous sources. Program expenses remained consistent with the prior year.

#### *Business-Type Activities*

The City provides water, sewer and electric services to the residents and businesses within the City limits. The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. This electric service is at a cost savings to the users. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire fixed assets for JV2. Under a financing agreement between the participants of JV2 and AMP-Ohio, most of the participants have agreed to pay the debt service requirements of the bonds. However, the City of Amherst issued its own debt to pay its share of the cost. Payments are to be made solely from the resources of the City's Electric Enterprise Fund.

There were some increases in the expenses for the Business-Type Activities of the city which were offset by increases in the operating revenues. Increases to expenditures within the Electric Fund are a result of increases in costs.

**Table 3**  
Program Expenses

	Governmental Activities		Business-Type Activities		Total	
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services	of Services	of Services
	2011	2011	2011	2011	2011	2011
General government	\$ 1,253,538	\$ 1,132,714	\$ -	\$ -	\$ 1,253,538	\$ 1,132,714
Security of persons and property	3,630,708	3,334,055	-	-	3,630,708	3,334,055
Public health and welfare	182,119	99,039	-	-	182,119	99,039
Transportation	2,158,982	1,239,592	-	-	2,158,982	1,239,592
Community development	120,958	109,467	-	-	120,958	109,467
Leisure time activities	208,193	81,437	-	-	208,193	81,437
Interest and fiscal charges	156,333	156,333	-	-	156,333	156,333
Water	-	-	2,455,719	131,334	2,455,719	131,334
Sewer	-	-	2,211,743	(231,980)	2,211,743	(231,980)
Electric	-	-	9,533,399	(740,895)	9,533,399	(740,895)
Total Cost of Services	<u>\$ 7,710,831</u>	<u>\$ 6,152,637</u>	<u>\$14,200,861</u>	<u>\$ (841,541)</u>	<u>\$21,911,692</u>	<u>\$ 5,311,096</u>

## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2011**

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As shown in the table on the previous page, most of the City's governmental activities rely on the general revenues, including property taxes and municipal income tax, to support the expenses, including daily operations, programs and interest, to run their departments and programs. The business-type activities funds, as a whole are receiving sufficient revenues to support the services provided to the citizens of Amherst.

#### **The City's Funds**

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$8,603,333 and expenditures and other financing uses of \$9,384,113. The most significant fund is the General Fund with a year-end fund balance of \$2,324,598.

The Street Maintenance Repair Fund had a year end fund balance of \$636,124 with revenues of \$494,533, transfers in of \$440,000, and expenditures of \$926,621. There was a net increase in fund balance of \$7,912.

The Street Improvement Income Tax Fund had a year end fund balance of \$4,177,516 with revenues of \$1,385,666 and expenditures of \$2,279,822. There was a net decrease in fund balance of \$894,156. This decrease is due mainly to the City approving to only record half of the original ½% tax within this fund during the previous year.

#### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2011, the City amended its General Fund budget several times for a total decrease in budgeted expenditures of \$2,292. Expenditures in excess of \$25,000 must go before Council for approval. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, before being sent on to Council for Ordinance enactment on the change. Since the Appropriations Ordinance is passed on a line item level, any change to any line item is a formal amendment.

The General Fund's actual revenues exceeded final budgeted revenues by \$224,979 which was primarily due to municipal income taxes actual revenues and intergovernmental actual revenues exceeding final budgeted revenues.

The General Fund's actual expenditures were \$363,416 less than final budgeted expenditures with the primary reasons being less than anticipated transfers out, and less than anticipated expenditures in general government and security of persons and property.

The General Fund supports many major activities such as the Police Department, Fire Department, Building Department, as well as the legislative and executive activities. Some major capital projects are funded with General Fund dollars. Although the original appropriations were gradually decreased during the year, the City continued to maintain a respectable level of liquidity, as compared to surrounding communities in the General Fund by maintaining an unreserved budgetary fund balance of \$724,879 (approximately a 29% increase from the prior year) at year-end due to more actual revenues coming into the City and less actual expenditures paid out by the City than the amounts budgeted for the year.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2011

#### Capital Assets and Debt Administration

##### *Capital Assets*

**Table 4**  
**Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,398,148	\$ 1,398,148	\$ 65,121	\$ 52,000	\$ 1,463,269	\$ 1,450,148
Buildings	2,565,246	2,677,801	4,868,199	5,095,676	7,433,445	7,773,477
Improvements other than buildings	491,933	546,199	2,295,516	2,376,529	2,787,449	2,922,728
Machinery and equipment	985,500	1,111,763	5,528,612	5,777,094	6,514,112	6,888,857
Vehicles	803,178	1,026,652	43,047	17,865	846,225	1,044,517
Infrastructure:						
Roads	17,728,495	16,283,660	-	-	17,728,495	16,283,660
Water lines	-	-	2,118,544	2,181,889	2,118,544	2,181,889
Sewer lines	-	-	5,030,512	4,770,999	5,030,512	4,770,999
Electric lines	-	-	1,655,889	1,676,740	1,655,889	1,676,740
Total capital assets	<u>\$ 23,972,500</u>	<u>\$ 23,044,223</u>	<u>\$ 21,605,440</u>	<u>\$ 21,948,792</u>	<u>\$ 45,577,940</u>	<u>\$ 44,993,015</u>

Total capital assets for the City of Amherst as of December 31, 2011 were \$45,577,940. For additional information on capital assets, see Note 7 to the basic financial statements.

Issue II funds have been a continued source of resources for improvements for several years, and our current .25% income tax for street improvements will continue to provide the necessary matching funds through 2019 when the current levy will be up for renewal.



## City of Amherst, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2011**

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#### *Debt*

On December 31, 2011, the City of Amherst had \$12,998,624 in bonds, loans, compensated absences and notes outstanding with \$1,370,062 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding and compensated absences.

**Table 5**  
Outstanding Debt and Other Long Term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 2,622,147	\$ 2,871,015	\$ 2,414,996	\$ 2,874,996	\$ 5,037,143	\$ 5,746,011
Notes Payable	-	-	672,000	832,000	672,000	832,000
OWDA Loans	-	-	6,134,135	6,497,111	6,134,135	6,497,111
OPWC Loans	501,958	537,266	70,244	78,892	572,202	616,158
Compensated Absences	506,706	366,163	76,438	47,222	583,144	413,385
Total	<u>\$ 3,630,811</u>	<u>\$ 3,774,444</u>	<u>\$ 9,367,813</u>	<u>\$ 10,330,221</u>	<u>\$ 12,998,624</u>	<u>\$ 14,104,665</u>

Please refer to Note 12 for further information about Long-Term Obligations.

#### **Current Issues**

The City of Amherst is currently in a positive cash position having a total equity in pooled cash and investments (excluding Fiduciary Funds) of \$18,425,650 as of December 31, 2011. The major strength of the cash balance is in the Street Improvement Income Tax Fund and in the Enterprise Funds. Both of these areas continue to have extensive capital projects underway. Each year since its inception in 1999, the Street Improvement Income Tax Fund has financed an aggressive street improvement program. All roads have been repaired and are in good working order. The second water tower has been upgraded and renovated; however, a study is continuing to determine pressure problems in the system that may have to be corrected. Water meters are currently being replaced with electronic read meters.

#### **Economic Factors**

Amherst is predominantly a residential community. The City of Amherst, Ohio has only one major manufacturing facility within its boundary. Nordson Corporation was founded by a native Amherst resident and continues to operate. It is a clean industry with a pleasant, well-landscaped facility. There has been some concern about major cutbacks in employees within the corporation, which substantially affected the City's revenues. However, the company seems to have stabilized. Amherst Hospital, another large employer in the community was experiencing some financial difficulties, has reorganized its operation, and now seems to be stable. The hospital is now under the umbrella of the Cleveland Clinic and will be providing specialized services. A million dollar renovation has recently been completed. Among other things the hospital has gone from having room for five emergency room patients to having room for nine.

## **City of Amherst, Ohio**

Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2011**

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Although the City of Amherst is land locked on the north by the City of Lorain; that is not the case on the southern edge of town. In 1999 the City of Amherst annexed 57 acres of land on the southeastern edge of the City. This property was zoned for light industrial use by the township. In 2000, the City council voted to maintain this zoning so that the tax base of the City might be expanded and diversified. Currently, work is being done to build a light industrial park at that location. One company has opened there. There has been a discussion of annexing more property in the same southeastern area. This is the area that would be impacted by the Turnpike Exit on Route 58. At this point it is still undetermined just what the situation will be with that expansion.

Some vacancies exist in buildings in the area surrounding the Route 2 intersection. There has been some talk of possible businesses moving into those buildings, but we do not yet have any definitive answer concerning those vacancies.

#### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for all money it receives, spends or invests. If you have questions about this report or need financial information, contact the Auditor, David Kukucka, City of Amherst, 480 Park Avenue, Amherst, Ohio 44001; telephone 440-988-3742; email [auditor@amherstohio.org](mailto:auditor@amherstohio.org).

## **Basic Financial Statements**

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# City of Amherst, Ohio

## Statement of Net Assets

**December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 9,518,886	\$ 8,906,764	\$ 18,425,650
Restricted assets:			
Customer deposits	-	243,200	243,200
Accounts receivable	50,304	3,691,945	3,742,249
Intergovernmental receivable	608,934	-	608,934
Accrued interest receivable	47,149	-	47,149
Prepaid items	56,725	19,515	76,240
Materials and supplies inventory	169,738	349,984	519,722
Income taxes receivable	1,625,076	-	1,625,076
Property taxes receivable	1,269,175	-	1,269,175
Investment in joint venture	-	1,088,848	1,088,848
Non-depreciable capital assets	1,398,148	65,121	1,463,269
Depreciable capital assets, net	22,574,352	21,540,319	44,114,671
Total assets	<u>37,318,487</u>	<u>35,905,696</u>	<u>73,224,183</u>
Liabilities:			
Accounts payable	102,663	200,251	302,914
Contracts payable	516,082	-	516,082
Claims payable	87,052	-	87,052
Accrued wages and benefits payable	43,554	28,342	71,896
Intergovernmental payable	170,532	56,934	227,466
Accrued interest payable	5,840	4,645	10,485
Unearned revenue	1,249,032	-	1,249,032
Customer deposits	-	243,200	243,200
Long-term liabilities:			
Due within one year	341,124	1,028,938	1,370,062
Due in more than one year	3,289,687	8,338,875	11,628,562
Total liabilities	<u>5,805,566</u>	<u>9,901,185</u>	<u>15,706,751</u>
Net assets:			
Invested in capital assets, net of related debt	21,005,542	12,986,065	33,991,607
Restricted for:			
Capital projects	4,892,597	-	4,892,597
Debt service	428,456	-	428,456
Street maintenance repair	682,592	-	682,592
Cable television	750,355	-	750,355
Other purposes	1,001,863	-	1,001,863
Unrestricted	2,751,516	13,018,446	15,769,962
Total net assets	<u>\$ 31,512,921</u>	<u>\$ 26,004,511</u>	<u>\$ 57,517,432</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Activities

### For the Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,253,538	\$ 75,132	\$ 45,692	\$ -
Security of persons and property	3,630,708	232,392	3,121	61,140
Public health and welfare	182,119	32,117	50,963	-
Transportation	2,158,982	237,537	416,398	265,455
Community development	120,958	6,069	-	5,422
Leisure time activities	208,193	46,043	80,713	-
Interest and fiscal charges	156,333	-	-	-
Total governmental activities	<u>7,710,831</u>	<u>629,290</u>	<u>596,887</u>	<u>332,017</u>
Business-type activities:				
Water	2,455,719	2,324,385	-	-
Sewer	2,211,743	2,443,723	-	-
Electric	9,533,399	10,274,294	-	-
Total business-type activities	<u>14,200,861</u>	<u>15,042,402</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,911,692</u>	<u>\$ 15,671,692</u>	<u>\$ 596,887</u>	<u>\$ 332,017</u>

General revenues:  
 Property taxes levied for:  
   General purposes  
   Debt service  
   Capital projects  
 Income tax levied for:  
   General purposes  
   Capital projects  
 Grants and entitlements not restricted to  
   specific programs  
 Investment earnings  
 Miscellaneous income  
 Unrestricted contributions

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (1,132,714)	\$ -	\$ (1,132,714)
(3,334,055)	-	(3,334,055)
(99,039)	-	(99,039)
(1,239,592)	-	(1,239,592)
(109,467)	-	(109,467)
(81,437)	-	(81,437)
(156,333)	-	(156,333)
(6,152,637)	-	(6,152,637)
-	(131,334)	(131,334)
-	231,980	231,980
-	740,895	740,895
-	841,541	841,541
(6,152,637)	841,541	(5,311,096)
895,499	-	895,499
201,799	-	201,799
244,633	-	244,633
3,055,377	-	3,055,377
975,915	-	975,915
670,001	-	670,001
89,343	-	89,343
82,382	21,914	104,296
4,296	-	4,296
6,219,245	21,914	6,241,159
66,608	863,455	930,063
31,446,313	25,141,056	56,587,369
<u>\$ 31,512,921</u>	<u>\$ 26,004,511</u>	<u>\$ 57,517,432</u>

# City of Amherst, Ohio

## Balance Sheet Governmental Funds

**December 31, 2011**

	General	Street Maintenance Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 1,529,630	\$ 573,068	\$ 4,309,868	\$ 2,771,332	\$ 9,183,898
Materials and supplies inventory	109,890	59,848	-	-	169,738
Accrued interest receivable	47,149	-	-	-	47,149
Accounts receivable	20,542	896	-	28,866	50,304
Intergovernmental receivable	268,075	246,499	-	94,360	608,934
Prepaid items	43,111	9,973	-	3,641	56,725
Income taxes receivable	1,023,798	-	601,278	-	1,625,076
Property taxes receivable	834,304	-	-	434,871	1,269,175
<b>Total assets</b>	<b>\$ 3,876,499</b>	<b>\$ 890,284</b>	<b>\$ 4,911,146</b>	<b>\$ 3,333,070</b>	<b>\$ 13,010,999</b>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 41,526	\$ 26,956	\$ 10,811	\$ 23,370	\$ 102,663
Accrued wages and benefits payable	36,182	6,723	-	649	43,554
Contracts payable	-	-	503,613	12,469	516,082
Intergovernmental payable	150,939	14,247	-	5,346	170,532
Deferred revenue	1,323,254	206,234	219,206	483,595	2,232,289
<b>Total liabilities</b>	<b>1,551,901</b>	<b>254,160</b>	<b>733,630</b>	<b>525,429</b>	<b>3,065,120</b>
<b>Fund balances:</b>					
Nonspendable	153,001	69,821	-	3,641	226,463
Restricted	-	566,303	4,177,516	2,804,000	7,547,819
Assigned	74,755	-	-	-	74,755
Unassigned	2,096,842	-	-	-	2,096,842
<b>Total fund balances</b>	<b>2,324,598</b>	<b>636,124</b>	<b>4,177,516</b>	<b>2,807,641</b>	<b>9,945,879</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,876,499</b>	<b>\$ 890,284</b>	<b>\$ 4,911,146</b>	<b>\$ 3,333,070</b>	<b>\$ 13,010,999</b>

See accompanying notes to the basic financial statements.



# City of Amherst, Ohio

## Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

**December 31, 2011**

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Total Governmental Fund Balances \$ 9,945,879

*Amounts reported for Governmental Activities in the Statement of Net Assets are different because:*

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 23,972,500

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

Delinquent property taxes	21,069	
Municipal income taxes	592,448	
Intergovernmental	369,740	
Total	<u>983,257</u>	983,257

An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 247,936

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (5,840)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds	(2,622,147)	
OPWC loans	(501,958)	
Compensated absences	(506,706)	
Total	<u>(3,630,811)</u>	(3,630,811)

*Net Assets of Governmental Activities* \$31,512,921

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

**For the Year Ended December 31, 2011**

	General	Street Maintenance Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 848,115	\$ -	\$ -	\$ 493,291	\$ 1,341,406
Municipal income taxes	3,187,736	-	1,053,649	-	4,241,385
Intergovernmental	642,303	491,579	332,017	167,586	1,633,485
Charges for services	83,951	-	-	190,868	274,819
Fees, licenses and permits	149,227	-	-	149,630	298,857
Fines and forfeitures	52,287	-	-	3,327	55,614
Investment earnings	88,261	-	-	1,082	89,343
Contributions and donations	4,296	-	-	6,035	10,331
Miscellaneous	42,169	2,954	-	37,259	82,382
<b>Total revenues</b>	<b>5,098,345</b>	<b>494,533</b>	<b>1,385,666</b>	<b>1,049,078</b>	<b>8,027,622</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	951,452	-	-	113,120	1,064,572
Security of persons and property	3,287,628	-	-	49,653	3,337,281
Public health and welfare	58,800	-	-	111,024	169,824
Transportation	-	896,913	183,776	36,396	1,117,085
Community development	117,204	-	-	3,754	120,958
Leisure time activities	-	-	-	189,708	189,708
Capital outlay	45,456	29,708	1,977,118	315,471	2,367,753
<b>Debt service:</b>					
Principal retirement	-	-	81,622	233,686	315,308
Interest and fiscal charges	-	-	37,306	88,607	125,913
<b>Total expenditures</b>	<b>4,460,540</b>	<b>926,621</b>	<b>2,279,822</b>	<b>1,141,419</b>	<b>8,808,402</b>
<b>Excess of revenues over (under) expenditures</b>	<b>637,805</b>	<b>(432,088)</b>	<b>(894,156)</b>	<b>(92,341)</b>	<b>(780,780)</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	440,000	-	135,711	575,711
Transfers out	(575,711)	-	-	-	(575,711)
<b>Total other financing sources (uses)</b>	<b>(575,711)</b>	<b>440,000</b>	<b>-</b>	<b>135,711</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>62,094</b>	<b>7,912</b>	<b>(894,156)</b>	<b>43,370</b>	<b>(780,780)</b>
<b>Fund balances at beginning of year</b>	<b>2,262,504</b>	<b>628,212</b>	<b>5,071,672</b>	<b>2,764,271</b>	<b>10,726,659</b>
<b>Fund balances at end of year</b>	<b>\$ 2,324,598</b>	<b>\$ 636,124</b>	<b>\$ 4,177,516</b>	<b>\$ 2,807,641</b>	<b>\$ 9,945,879</b>

See accompanying notes to the basic financial statements.

## City of Amherst, 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, 2011**

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Net Change in Fund Balance - Total Governmental Funds \$ (780,780)

*Amounts reported for governmental Activities in the  
Statement of Activities are different because:*

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

Capital asset additions	2,240,920	
Depreciation	(1,312,643)	
Total	928,277	928,277

Revenues on the Statement of Activities that do not provide current  
financial resources are not reported as revenues in the funds:

Delinquent property taxes	525	
Municipal income taxes	(210,093)	
Intergovernmental	(40,615)	
Total	(250,183)	(250,183)

Repayment of bond and loan principal is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the Statement of Net Assets.

315,308

Some expenses reported on the Statement of Activities do not require the  
use of current financial resources, and therefore, are not reported as  
expenditures in governmental funds.

Compensated absences	(140,543)	
Interest on bonds	712	
Accretion on general obligation bonds	(31,132)	
Total	(170,963)	(170,963)

The Internal Service Fund used by management to charge the costs of insurance  
to individual funds is not reported in the government-wide Statement of Activities.  
Governmental expenditures and the related Internal Service Fund revenues are  
eliminated. The net revenue of the Internal Service Fund is allocated  
among the Governmental Activities.

24,949

*Change in Net Assets of Governmental Activities*

\$66,608

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual

### General Fund

#### For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 840,000	\$ 840,000	\$ 848,115	\$ 8,115
Municipal income taxes	3,090,000	3,090,000	3,246,736	156,736
Intergovernmental	522,400	522,400	586,649	64,249
Charges for services	85,600	85,600	83,951	(1,649)
Fines and forfeitures	50,000	50,000	52,575	2,575
Fees, licenses and permits	131,000	131,000	150,241	19,241
Contributions and donations	-	-	4,296	4,296
Interest	125,000	125,000	107,092	(17,908)
Miscellaneous	31,000	31,000	20,324	(10,676)
Total revenues	<u>4,875,000</u>	<u>4,875,000</u>	<u>5,099,979</u>	<u>224,979</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
General government	902,835	902,835	810,432	92,403
Security of persons and property	3,487,020	3,487,020	3,301,647	185,373
Public health and welfare	64,100	64,100	58,958	5,142
Community development	139,789	137,497	121,493	16,004
Capital outlay	87,364	87,364	75,736	11,628
Total expenditures	<u>4,681,108</u>	<u>4,678,816</u>	<u>4,368,266</u>	<u>310,550</u>
Excess of revenues over (under) expenditures	<u>193,892</u>	<u>196,184</u>	<u>731,713</u>	<u>535,529</u>
<b>Other financing sources (uses):</b>				
Transfers out	(662,000)	(662,000)	(609,134)	52,866
Total other financing sources (uses)	<u>(662,000)</u>	<u>(662,000)</u>	<u>(609,134)</u>	<u>52,866</u>
Net change in fund balance	(468,108)	(465,816)	122,579	588,395
Fund balance at beginning of year - As Restated	560,342	560,342	560,342	-
Prior year encumbrances appropriated	41,958	41,958	41,958	-
Fund balance at end of year	<u>\$ 134,192</u>	<u>\$ 136,484</u>	<u>\$ 724,879</u>	<u>\$ 588,395</u>

See accompanying notes to the basic financial statements.

## City of Amherst, Ohio

### Statement of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

#### Street Maintenance Repair Fund

#### For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 492,999	\$ 92,999
Miscellaneous	1,000	1,000	1,447	447
Total revenues	<u>401,000</u>	<u>401,000</u>	<u>494,446</u>	<u>93,446</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	485,000	485,000	423,159	61,841
Fringe benefits	211,500	211,500	180,205	31,295
Contractual services	83,678	83,678	69,001	14,677
Materials and supplies	269,817	269,817	245,752	24,065
Capital outlay	78,300	78,300	57,287	21,013
Total expenditures	<u>1,128,295</u>	<u>1,128,295</u>	<u>975,404</u>	<u>152,891</u>
Excess of revenues over (under) expenditures	(727,295)	(727,295)	(480,958)	246,337
Other financing sources (uses):				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>440,000</u>	<u>(60,000)</u>
Net change in fund balance	(227,295)	(227,295)	(40,958)	186,337
Fund balance at beginning of year	532,593	532,593	532,593	-
Prior year encumbrances appropriated	<u>13,295</u>	<u>13,295</u>	<u>13,295</u>	<u>-</u>
Fund balance at end of year	<u>\$ 318,593</u>	<u>\$ 318,593</u>	<u>\$ 504,930</u>	<u>\$ 186,337</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Fund Net Assets Proprietary Funds

**December 31, 2011**

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
<b>Assets</b>					
<b>Current assets:</b>					
Equity in pooled cash and investments	\$ 1,121,374	\$ 3,133,673	\$ 4,651,717	\$ 8,906,764	\$ 334,988
Accounts receivable	555,143	602,540	2,534,262	3,691,945	-
Prepaid items	3,799	8,362	7,354	19,515	-
Materials and supplies inventory	25,061	141,394	183,529	349,984	-
<b>Restricted Assets:</b>					
Customer Deposits	66,789	32,063	144,348	243,200	-
Total current assets	1,772,166	3,918,032	7,521,210	13,211,408	334,988
<b>Noncurrent assets:</b>					
Investment in joint venture	-	-	1,088,848	1,088,848	-
Non-depreciable capital assets	45,000	13,121	7,000	65,121	-
Depreciable capital assets, net	4,025,863	14,358,738	3,155,718	21,540,319	-
Total Noncurrent Assets	4,070,863	14,371,859	4,251,566	22,694,288	-
Total assets	5,843,029	18,289,891	11,772,776	35,905,696	334,988
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	152,097	28,106	20,048	200,251	-
Claims payable	-	-	-	-	87,052
Accrued wages and benefits payable	6,177	11,573	10,592	28,342	-
Intergovernmental payable	11,758	23,873	21,303	56,934	-
Accrued interest payable	2,093	1,114	1,438	4,645	-
Compensated absences payable	1,427	848	1,674	3,949	-
General obligation bonds payable	100,000	205,726	174,270	479,996	-
AMP-Ohio notes payable	-	-	160,000	160,000	-
OPWC loans payable	-	8,648	-	8,648	-
OWDA loans payable	-	376,345	-	376,345	-
<b>Payable from restricted assets:</b>					
Customer deposits	66,789	32,063	144,348	243,200	-
Total current liabilities	340,341	688,296	533,673	1,562,310	87,052
<b>Long-term liabilities (net of current portion):</b>					
Compensated absences payable	7,593	27,356	37,540	72,489	-
OWDA loans payable	-	5,757,790	-	5,757,790	-
General obligation bonds payable	1,060,000	330,000	545,000	1,935,000	-
AMP-Ohio notes payable	-	-	512,000	512,000	-
OPWC loans payable	-	61,596	-	61,596	-
Total long-term liabilities	1,067,593	6,176,742	1,094,540	8,338,875	-
Total liabilities	1,407,934	6,865,038	1,628,213	9,901,185	87,052
<b>Net assets:</b>					
Invested in capital assets, net of related debt	2,910,863	7,631,754	2,443,448	12,986,065	-
Unrestricted	1,524,232	3,793,099	7,701,115	13,018,446	247,936
Total net assets	\$ 4,435,095	\$ 11,424,853	\$ 10,144,563	\$ 26,004,511	\$ 247,936

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds

**For the Year Ended December 31, 2011**

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Operating revenues:					
Charges for services	\$ 2,324,385	\$ 2,443,723	\$ 10,377,894	\$ 15,146,002	\$ 960,445
Other	3,860	3,677	14,377	21,914	-
Total operating revenues	2,328,245	2,447,400	10,392,271	15,167,916	960,445
Operating expenses:					
Personal services	488,975	997,482	905,653	2,392,110	-
Materials and supplies	123,659	134,350	83,377	341,386	-
Contract services	1,619,949	260,198	8,350,285	10,230,432	-
Depreciation	170,160	553,048	134,853	858,061	-
Claims	-	-	-	-	935,496
Total operating expenses	2,402,743	1,945,078	9,474,168	13,821,989	935,496
Operating income (loss)	(74,498)	502,322	918,103	1,345,927	24,949
Non-operating revenues (expenses):					
Loss on investment in joint venture	-	-	(103,600)	(103,600)	-
Interest and fiscal charges	(52,976)	(266,665)	(59,231)	(378,872)	-
Total non-operating revenues (expenses)	(52,976)	(266,665)	(162,831)	(482,472)	-
Change in net assets	(127,474)	235,657	755,272	863,455	24,949
Net assets beginning of year	4,562,569	11,189,196	9,389,291	25,141,056	222,987
Net assets end of year	\$ 4,435,095	\$ 11,424,853	\$ 10,144,563	\$ 26,004,511	\$ 247,936

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Cash Flows Proprietary Funds

**For the Year Ended December 31, 2011**

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
<b>Increase (decrease) in cash and cash equivalents</b>					
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 2,309,664	\$ 2,471,648	\$ 10,287,251	\$ 15,068,563	\$ -
Utility deposits received	8,029	3,455	15,230	26,714	-
Cash received from transactions with other funds	-	-	-	-	960,445
Cash received from other operating sources	3,860	4,044	14,377	22,281	-
Cash payments to suppliers for goods and services	(1,756,213)	(642,742)	(8,505,936)	(10,904,891)	-
Cash payments for claims	-	-	-	-	(937,469)
Cash payments for employee services and benefits	(485,190)	(984,913)	(881,666)	(2,351,769)	-
Net cash provided by operating activities	<u>80,150</u>	<u>851,492</u>	<u>929,256</u>	<u>1,860,898</u>	<u>22,976</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(32,344)	(441,073)	(41,292)	(514,709)	-
Principal paid	(95,000)	(566,168)	(330,456)	(991,624)	-
Interest paid	(53,140)	(266,957)	(59,502)	(379,599)	-
Net cash used for capital and related financing activities	<u>(180,484)</u>	<u>(1,274,198)</u>	<u>(431,250)</u>	<u>(1,885,932)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(100,334)	(422,706)	498,006	(25,034)	22,976
Cash and cash equivalents, beginning of year	<u>1,288,497</u>	<u>3,588,442</u>	<u>4,298,059</u>	<u>9,174,998</u>	<u>312,012</u>
Cash and cash equivalents, end of year	<u>\$ 1,188,163</u>	<u>\$ 3,165,736</u>	<u>\$ 4,796,065</u>	<u>\$ 9,149,964</u>	<u>\$ 334,988</u>

See accompanying notes to the basic financial statements.

(Continued)



# City of Amherst, Ohio

## Statement of Cash Flows (continued) Proprietary Funds

**For the Year Ended December 31, 2011**

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating Income (Loss)	\$ (74,498)	\$ 502,322	\$ 918,103	\$ 1,345,927	\$ 24,949
Adjustments:					
Depreciation	170,160	553,048	134,853	858,061	-
(Increase)/decrease in assets:					
Accounts receivable	(14,721)	28,293	(90,643)	(77,071)	-
Prepaid items	276	34	82	392	-
Materials and supplies inventory	(8,637)	(15,239)	(14,514)	(38,390)	-
Increase/(decrease) in liabilities:					
Accounts payable	2,965	(231,477)	(43,875)	(272,387)	-
Claims payable	-	-	-	-	(1,973)
Deposits held and due to others	276	496	1,236	2,008	-
Accrued wages and benefits	16	(632)	(57)	(673)	-
Intergovernmental payable	1,735	7,985	4,095	13,815	-
Compensated absences payable	2,578	6,662	19,976	29,216	-
Net cash provided by operating activities	<u>\$ 80,150</u>	<u>\$ 851,492</u>	<u>\$ 929,256</u>	<u>\$ 1,860,898</u>	<u>\$ 22,976</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Fiduciary Net Assets Fiduciary Funds

**December 31, 2011**

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	Private Purpose Trust <u>Cemetery</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	<u>\$ 4,241</u>	<u>\$ 24,885</u>
Liabilities:		
Deposits held and due to others		<u>\$ 24,885</u>
Total liabilities		<u>\$ 24,885</u>
Net assets:		
Held in trust for cemetery	<u>\$ 4,241</u>	

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Changes in Fiduciary Net Assets Fiduciary Fund

**For the Year Ended December 31, 2011**

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	Private Purpose Trust <u>Cemetery</u>
Additions:	
Interest	<u>\$          21</u>
Deductions:	
Payments in accordance with trust agreement	<u>                  -</u>
Change in net assets	21
Net assets beginning of year	<u>4,220</u>
Net assets end of year	<u><u>\$          4,241</u></u>

See accompanying notes to the basic financial statements.

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# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 1: The Reporting Entity**

The City of Amherst (the "City") is a municipal corporation established and operated under the laws of the State of Ohio. The City was first incorporated in 1962. The City provides for a Mayor-Council form of government. Elected officials include eight council members, mayor, law director, auditor, and treasurer.

The 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 primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Amherst, this includes the departments that provide the following services: police and fire protection, the construction and maintenance of highways, streets and infrastructure, recreational activities, family and child health care, senior services, community planning, zoning and development, water, sewer, electric, and sanitation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, authorizes the issuance of debt, or the levying of taxes. The City has no component units.

The City is associated with the Lorain County General Health District, a jointly governed organization and the Ohio Municipal Electric Generation Agency (JV2) joint venture. These organizations are discussed in Notes 13 and 14 of the basic financial statements.

## **Note 2: Summary of Significant Accounting Policies**

The financial statements of the City of Amherst have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board opinions, and Accounting Research Board bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements or that have been made applicable by the GASB. The City has elected to follow GASB guidance for business-type activities and enterprise funds rather than FASB guidance issued after November 30, 1989. The most significant of the City's accounting policies are described below.

### **A. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

#### *Government-wide Financial Statements*

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function are also eliminated. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### *A. Basis of Presentation (Continued)*

The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues 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 function or business-type activity is self-financing or draws from the general revenues of the City.

### *Fund Financial Statements*

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

### **B. Fund Accounting**

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

### *Governmental Funds*

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

#### *General Fund*

The General Fund accounts for all financial resources not accounted for and reported 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 Amherst and/or the general laws of Ohio.

#### *Street Maintenance Repair Fund*

This fund is used to account for street maintenance and repair. The primary source of revenue for this fund is intergovernmental revenue.

#### *Street Improvement Income Tax Capital Projects Fund*

This fund is used to account for the .5 percent City income tax to be used for improvements to the various City roads. The primary source of revenue for this fund is income tax revenue.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***B. Fund Accounting (Continued)***

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

#### *Proprietary Funds*

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

#### *Enterprise Funds*

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

##### *Water Fund*

The Water Fund accounts for the provision of water service to the residents and commercial users located within the City. The primary source of revenue for this fund is water service charges.

##### *Sewer Fund*

The Sewer Fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City. The primary source of revenue for this fund is sewer service charges.

##### *Electric Fund*

The Electric Fund accounts for the provision of electric light and power service to the residents and commercial users located within the City. The primary source of revenue for this fund is electric service charges.

#### *Internal Service Funds*

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's Internal Service Fund reports on a self-insurance program for employee medical benefits.

#### *Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust which accounts for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for street opening fees, building assessment fees, and developers' deposits and fees.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***C. Measurement Focus***

#### *Government-wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets, except for fiduciary funds. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

#### *Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The private purpose trust fund is reported using a flow of economic resources measurement focus.

### ***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 the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenues, and in the presentation of expenses versus expenditures.

#### *Revenues - Exchange and Non-exchange Transactions*

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



# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***D. Basis of Accounting (Continued)***

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 5). 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 a nonexchange transaction 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), fines and forfeitures, licenses and permits, interest, grants and rentals.

#### *Unearned/Deferred Revenue*

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance 2012 operations, have been recorded as unearned/deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned/deferred revenue.

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

#### *Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

### ***E. Budgetary Process***

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***E. Budgetary Process (Continued)***

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. 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 in effect when the final appropriations were passed by Council.

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.

A budgetary schedule is reported but no annual budget was adopted for the CDBG Improvements Fund.

### ***F. Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and investments."

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

During 2011, investments were limited to State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2011 amounted to \$88,261 and \$1,082 in nonmajor governmental funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the basic financial statements as "equity in pooled in cash and investments."

### ***G. Inventory***

Inventories are stated at cost on the first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***I. Restricted Assets***

Water, sewer and electric customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposits payable liability account.

### ***J. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water, sewer and electric lines. 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 capital assets is also capitalized.

All capital assets are depreciated, except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	25 years
Improvements other than buildings	15 to 70 years
Machinery and equipment	3 to 20 years
Vehicles	3 to 8 years
Infrastructure	15 to 70 years

### ***K. Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund transactions which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the Statement of Net Assets, except for any residual amounts due between governmental and business-type activities, which are presented as internal balances.

### ***L. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation when earned for all employees with more than one year of service.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***L. Compensated Absences (Continued)***

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

### ***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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized as a liability on the fund financial statements when due.

### ***N. Fund Balance Reserves***

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 classification includes amounts that cannot be spent because they are not in the 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.

***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.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 the City Council.

***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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 2: Summary of Significant Accounting Policies (Continued)**

### ***N. Fund Balance Reserves (Continued)***

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 Assets***

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

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

Of the City's \$7,755,863 in restricted net assets, \$4,099,782 is restricted for enabling legislation.

### ***P. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and electric services and reimbursements for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

### ***Q. 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. Transfers within governmental activities are eliminated on the Statement of Activities.

### ***R. Estimates***

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 3: Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue 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 GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment, commitment, or restriction of fund balance (GAAP).
4. Funds reported as part of the General Fund on the GAAP basis are not included on the budgetary basis.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and Street Maintenance Repair Major Special Revenue Fund.

	Net Change in Fund Balance	
	General	Street Maintenance Repair
GAAP Basis	\$ 62,094	\$ 7,912
Revenue Accruals	2,174,680	(87)
Expenditure Accruals	(2,225,990)	19,386
Prospective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	205,562	-
Encumbrances	(93,767)	(68,169)
Budgetary Basis	<u>\$ 122,579</u>	<u>\$ (40,958)</u>

## **Note 4: Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 4: Deposits and Investments (Continued)**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. 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 Farm Credit 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;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

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### Note 4: Deposits and Investments (Continued)

#### Undeposited Cash

At year-end, the City had \$1,000 undeposited cash on hand which is included as part of “equity in pooled cash and investments.”

#### Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the government’s deposit will not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of governmental securities valued at least 105% of the total value of public monies on deposit at the institution.

The City’s bank balance of \$18,522,452 is either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner as described above.

#### Investments

As of December 31, 2011, the City had the following investment and maturity:

	Carrying/Fair Value	Weighted Average Maturity (Years)
STAR Ohio	\$ 272,601	< 1 year
Total Investments	<u>\$ 272,601</u>	

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. The City has no specific investment policy dealing with interest rate risk.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy does not address credit risk beyond the requirements of the Ohio Revised Code. The City limits its investments to STAROhio. Investments in STAROhio were rated AAAM by Standard and Poor’s.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single user. The City’s investment policy allows investments in those authorized under the Ohio Revised Code. The City has invested 100% in STAROhio.

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. In accordance with the investment policy, all of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City.



# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

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### Note 5: Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property taxes, interest, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are expected to be collected within one year.

#### A. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of the 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) are for 2011 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2011.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

Due to the phase out which began in 2005, the tangible personal property tax percentage fell to zero in 2009 for businesses. Therefore, Ohio no longer has a general tax on tangible personal property used in business. The tax temporarily applies to telephone and inter-exchange telecommunications companies, which is being passed out to 10% for 2009, 5% for 2010, and zero for 2011. After 2011, tangible personal property, exclusive of public utility tangible personal property, will not be subject to tax.

The full tax rate for all City operations for the year ended December 31, 2011, was \$5.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 317,205,570
Public Utility	1,632,060
Tangible Personal	35,610
	<u>\$ 318,873,240</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 5: Receivables (Continued)**

### **A. Property Tax (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. 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, 2011 and for which there is an enforceable legal claim. In the General, General Obligation Bond Retirement and the Fire Apparatus Levy Funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 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 a receivable and a revenue, while the remainder of the receivable is unearned.

### **B. Income Tax**

The City levies a municipal income tax of one and one half percent on substantially all income earned within the City; in addition, residents are required to pay tax on income earned outside of the City. The City allows a credit of one percent of the income taxed by another taxing entity.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds were credited to the General Fund and Street Improvement Income Tax Capital Projects Fund.

### **C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 119,804
Homestead and rollback	92,469
Liquor and beer permits	3,354
Estate Tax	78,986
Other	42,901
Motor Vehicle and Gas Excise Tax	266,486
Permissive Tax	4,934
	<u>\$ 608,934</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

### Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2011 consisted of the following:

Fund Type	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 575,711
Street Maintenance Repair	440,000	-
Other Non-major Governmental Funds:		
Debt Service	75,000	-
Law Enforcement Trust	10,711	-
Office on Aging	50,000	-
Total Other Non-major Governmental Funds	135,711	-
Total All Funds	\$ 575,711	\$ 575,711

The General Fund transfers to the Major and Non-major governmental funds were made to provide additional resources for current operations, and to meet matching fund requirements for some grants.

### Note 7: Capital Assets

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,398,148	\$ -	\$ -	\$ 1,398,148
Total Capital assets, not being depreciated	1,398,148	-	-	1,398,148
Capital assets, being depreciated:				
Buildings	4,620,559	6,760	-	4,627,319
Improvements other than buildings	1,146,156	-	-	1,146,156
Machinery and equipment	3,027,339	36,971	-	3,064,310
Vehicles	2,752,768	42,619	(97,506)	2,697,881
Infrastructure:				
Roads	23,059,093	2,154,570	-	25,213,663
Total capital assets, being depreciated	34,605,915	2,240,920	(97,506)	36,749,329
Less accumulated depreciation:				
Buildings	(1,942,758)	(119,315)	-	(2,062,073)
Improvements other than buildings	(599,957)	(54,266)	-	(654,223)
Machinery and equipment	(1,915,576)	(163,234)	-	(2,078,810)
Vehicles	(1,726,116)	(266,093)	97,506	(1,894,703)
Infrastructure:				
Roads	(6,775,433)	(709,735)	-	(7,485,168)
Total accumulated depreciation	(12,959,840)	(1,312,643)	97,506	(14,174,977)
Total capital assets, being depreciated, net	21,646,075	928,277	-	22,574,352
Total governmental capital assets, net	\$ 23,044,223	\$ 928,277	\$ -	\$ 23,972,500

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

**Note 7: Capital Assets (Continued)**

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 52,000	\$ 13,121	\$ -	\$ 65,121
Total capital assets, not being depreciated	<u>52,000</u>	<u>13,121</u>	<u>-</u>	<u>65,121</u>
Capital assets, being depreciated:				
Buildings	6,942,652	-	-	6,942,652
Improvements other than buildings	3,394,851	-	-	3,394,851
Machinery and equipment	9,797,671	32,344	-	9,830,015
Vehicles	606,089	40,103	(58,007)	588,185
Infrastructure:				
Water lines	4,116,144	-	-	4,116,144
Sewer lines	8,267,004	405,591	-	8,672,595
Electric lines	2,417,705	23,550	-	2,441,255
Total capital assets, being depreciated	<u>35,542,116</u>	<u>501,588</u>	<u>(58,007)</u>	<u>35,985,697</u>
Less accumulated depreciation:				
Buildings	(1,846,976)	(227,477)	-	(2,074,453)
Improvements other than buildings	(1,018,322)	(81,013)	-	(1,099,335)
Machinery and equipment	(4,020,577)	(280,826)	-	(4,301,403)
Vehicles	(588,224)	(14,921)	58,007	(545,138)
Infrastructure:				
Water lines	(1,934,255)	(63,345)	-	(1,997,600)
Sewer lines	(3,496,005)	(146,078)	-	(3,642,083)
Electric lines	(740,965)	(44,401)	-	(785,366)
Total accumulated depreciation	<u>(13,645,324)</u>	<u>(858,061)</u>	<u>58,007</u>	<u>(14,445,378)</u>
Total capital assets, being depreciated, net	<u>21,896,792</u>	<u>(356,473)</u>	<u>-</u>	<u>21,540,319</u>
Total business-type capital assets, net	<u>\$ 21,948,792</u>	<u>\$ (343,352)</u>	<u>\$ -</u>	<u>\$ 21,605,440</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## Note 7: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 192,838
Security of persons and property	226,430
Public health and welfare	3,693
Transportation	870,949
Leisure time activities	<u>18,733</u>
Total depreciation expense	<u>\$ 1,312,643</u>

## Note 8: Pension Plans

### A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, contribute to the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

- The traditional pension plan (TP) - a cost-sharing multiple-employer defined benefit pension plan.
- The member-directed plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- The combined plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional pension plan.

The member contribution rates were 10.0% for 2011, 2010, and 2009, respectively, for the City. The City was required to contribute 14.00%, of covered payroll for 2011, 2010, and 2009 respectively. The City's contributions to OPERS for the years ending December 31, 2011, 2010, and 2009 were \$ 453,284, \$454,740, and \$442,890, respectively. The full amount has been contributed for 2010 and 2009. 92 percent has been contributed for 2011, with the remainder being presented as "intergovernmental payable" in the governmental funds and governmental activities.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 8: Pension Plans (Continued)**

### ***B. Ohio Police and Fire Pension Fund***

The City of Amherst contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. 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 for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Police are required to contribute 10.0% of their annual covered salary and the City is required to contribute 19.5% for police. The City's contributions to OP&F for the years ended December 31, 2011, 2010, and 2009 were \$238,984, \$260,003, and \$255,102, respectively. The full amount has been contributed for 2010 and 2009. 71 percent has been contributed for 2011 with the remainder being presented as "intergovernmental payable" in the governmental funds and governmental activities.

### ***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System or the Ohio Police and Fire Pension Fund were covered by Social Security. As of December 31, 2011, the City's volunteer firefighters were covered by Social Security. The City's liability is 6.2 percent of wages paid.

## **Note 9: Postemployment Benefits**

### **Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

# City of Amherst, Ohio

## Notes to the Basic Financial Statements

### For the Year Ended December 31, 2011

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#### Note 9: Postemployment Benefits (Continued)

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shrml>, writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0% of covered payroll, and public safety and law enforcement employers contributed at an 18.1%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The portion of employer contribution rate allocated to health care was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$129,503 for 2011, \$165,101 for 2010, and \$185,543 for 2009. The full amount has been contributed for 2010 and 2009. 92% has been contributed for 2011.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

#### **Ohio Police and Fire Pension Fund**

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 9: Postemployment Benefits (Continued)**

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, for 2011, 2010, and 2009, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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 healthcare benefits. For the years ended December 31, 2011, 2010, and 2009, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll or 34.62% of the total employer contributions. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The number of participants eligible to receive health care benefits as of December 31, 2010, (the latest information available) was 15,013 for Police. The City's actual contributions for 2011 that were used to fund postemployment benefits were \$82,689 for Police. For 2010 and 2009, the contributions were \$89,961 and \$88,316, respectively. The full amount has been contributed for 2010 and 2009. 71% has been contributed for 2011. The Fund's total health care expenses for the year ended December 31, 2010 (the latest information available) were \$159,913,915, which was net of member contributions of \$58,923,329.



# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

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### Note 10: Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees can earn five to thirty-five days of vacation per year, depending upon length of service. Earned, unused vacation time is paid upon termination of employment.

All employees earn 4.6 hours of sick leave per each completed bi-weekly pay period in active status. Sick leave accrual is continuous, without limit. The payment of accrued sick leave to a retired employee is specified in the employee's legislated contract. At the present time, the various contracts for the City's employees stipulate that a retiring employee may receive payment for anywhere from a minimum of one-quarter of unused sick hours to a maximum of one thousand hours of accrued sick leave depending upon the employee's department and longevity.

### Note 11: Risk Management

#### A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2011, the City contracted with a private insurance carrier for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property	Selective Insurance Co.	\$43,309,501
General liability	Selective Insurance Co.	\$1 million per occurrence
	Selective Insurance Co.	\$2 million general aggregate
Automobile fleet liability	Selective Insurance Co.	\$1 million per occurrence
Stop gap liability	Selective Insurance Co.	\$1 million per occurrence
Employee benefits liability	Selective Insurance Co.	\$1 million
Employment practices liability	Selective Insurance Co.	\$1 million annual aggregate
Public officials liability	Selective Insurance Co.	\$1 million/\$1 million
Umbrella liability	Selective Insurance Co.	\$10 million
Law Enforcement	Scottsdale Insurance	\$1 million

The City carries commercial insurance coverage for all risks. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years and there were no significant reductions in coverage from the prior year.

#### B. Workers' Compensation

Workers' Compensation coverage is provided by the State. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

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### 11: Risk Management (Continued)

#### C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription and dental coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Employees who are members of the AFSCME union also receive vision coverage. Patrolmen were given vision coverage through AFSCME in addition to union members. All are subject to the deductible. The third party administrators review and pay all claims on behalf of the City. Covered employees are in a traditional medical plan with a \$200-per-year individual deductible and a \$400-per-year family deductible. The dental plan has a \$50-per-year individual deductible and a \$150-per-year family deductible. The City purchases a stop-loss insurance policy premium cost of \$343,738 in aggregate for all employees.

The claims liability of \$87,052 reported in the self-insurance fund at December 31, 2011, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last three years follow:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2009	\$ 166,885	\$ 789,641	\$ 835,595	\$ 120,931
2010	120,931	810,117	842,023	89,025
2011	89,025	935,496	937,469	87,052

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>				
Various Purpose	2006	3.50-4.10%	\$ 2,275,000	12/1/2025
Police and Jail facility	2003	2.00-4.25%	2,195,000	12/1/2018
Capital Purpose	1998	3.50-4.55%	545,000	12/1/2018
Real Estate Acquisition Bonds	2003	2.50-4.625%	295,000	12/1/2013
Water Capital Purpose Bonds	1999	4.55%	1,165,000	12/1/2018
Sewer Refunding Bonds	2003	2.00-5.75%	1,258,615	12/1/2012
Sewer Capital Purpose Bonds	1999	4.55%	835,000	12/1/2018
Electric Refunding Bonds	2003	2.00-5.75%	761,385	12/1/2012
Electric Capital Purpose Bonds	1999	4.55%	1,455,000	12/1/2018
<b>Notes</b>				
AMP-Ohio Electric System Improvement Notes	2000	2.35%	2,200,000	12/31/2020
<b>OPWC Loans</b>				
Milan Avenue	2004	0.00%	78,496	1/1/2024
Church Street	1997	0.00%	44,150	7/1/2017
Martin Avenue	1998	0.00%	88,698	1/1/2019
North Lake Street	2006	0.00%	53,283	1/1/2026
Park Avenue Reconstruction	2006	0.00%	135,847	7/1/2026
Henry & Tenney	2006	0.00%	40,094	7/1/2025
Church Street	2007	0.00%	163,000	7/1/2027
Jackson Street Bridge	2002	0.00%	69,556	1/1/2028
State Route 58	2008	0.00%	128,736	7/1/2028
South Lake Street	2009	0.00%	38,620	1/1/2020
OWDA Loans	2004	3.65%	9,599,158	7/1/2024

# City of Amherst, Ohio

## Notes to the Basic Financial Statements

### For the Year Ended December 31, 2011

#### Note 12: Long-Term Obligations (Continued)

A schedule of changes in bonds and other long-term obligations of the City during 2011 follows:

	Amount Outstanding 12/31/2010	Additions	Reductions	Amount Outstanding 12/31/2011	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Police and Jail Facility	\$ 1,075,000	\$ -	\$ 165,000	\$ 910,000	\$ 170,000
Police and Jail Capital Appreciation	90,000	-	-	90,000	-
Capital Appreciation Accretion	126,015	31,132	-	157,147	-
Capital Purpose	275,000	-	25,000	250,000	30,000
Real Estate Acquisition Bonds	90,000	-	30,000	60,000	30,000
Various Purpose	1,215,000	-	60,000	1,155,000	65,000
Total General Obligation Bonds	<u>2,871,015</u>	<u>31,132</u>	<u>280,000</u>	<u>2,622,147</u>	<u>295,000</u>
OPWC loans	537,266	-	35,308	501,958	35,308
Compensated Absences	366,163	309,642	169,099	506,706	10,816
Total Governmental Activities	<u>\$ 3,774,444</u>	<u>\$ 340,774</u>	<u>\$ 484,407</u>	<u>\$ 3,630,811</u>	<u>\$ 341,124</u>
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 595,000	\$ -	\$ 60,000	\$ 535,000	\$ 65,000
Water Various Purpose Bonds	660,000	-	35,000	625,000	35,000
Sewer Refunding Bonds	305,270	-	149,544	155,726	155,726
Sewer Capital Purpose Bonds	425,000	-	45,000	380,000	50,000
Electric Refunding Bonds	184,726	-	90,456	94,270	94,270
Electric Capital Purpose Bonds	705,000	-	80,000	625,000	80,000
Total General Obligation Bonds	<u>2,874,996</u>	<u>-</u>	<u>460,000</u>	<u>2,414,996</u>	<u>479,996</u>
AMP-Ohio Electric Systems Improvement	832,000	-	160,000	672,000	160,000
OPWC loans	78,892	-	8,648	70,244	8,648
OWDA - WWTP Upgrade	6,497,111	-	362,976	6,134,135	376,345
Compensated Absences	47,222	190,813	161,597	76,438	3,949
Total Business-Type Activities	<u>\$ 10,330,221</u>	<u>\$ 190,813</u>	<u>\$ 1,153,221</u>	<u>\$ 9,367,813</u>	<u>\$ 1,028,938</u>

The City issued \$2,275,000 (\$1,475,000 for governmental activities and \$800,000 for Water fund purposes) in various purpose general obligation bonds on March 15, 2006 to maintain storm sewers and related drainage facilities, reconstruct and improve Jackson Street Bridge, and rehabilitate an existing water tower and water pumping station. These bonds will be paid out of the Street Construction fund and Water fund.

Governmental activity general obligation bonds and OPWC loans are direct obligations of the City and will be paid from taxes received in the general bond retirement debt service fund.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$9,599,158 in OWDA loans issued in 2004. Proceeds from the loans provided financing for the construction of the wastewater treatment facilities upgrade. The loans are payable solely from sewer customer net revenues and are payable through 2024. Annual principal and interest payments on the loans are expected to require approximately 57 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,658,900. Principal and interest paid for the current year and total customer net revenues were \$596,838 and \$1,055,370, respectively.

# City of Amherst, Ohio

## Notes to the Basic Financial Statements

### For the Year Ended December 31, 2011

#### Note 12: Long-Term Obligations (Continued)

Compensated absences will be paid from the General Fund; Street Construction, Maintenance and Repair, Park and Pool and Office on Aging Special Revenue Funds and Water, Sewer and Electric Enterprise Funds.

The Water, Sewer, and Electric Enterprise Fund general obligation bonds and the OPWC loans will be repaid from revenues derived by the City for water, sewer and electric user charges. The AMP-Ohio electric systems improvement notes will be paid by the Electric Fund revenues.

The City's overall legal debt margin was \$30,514,732 at December 31, 2011. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

	Governmental Activities			Totals	
	General Obligation Bonds		OPWC	Principal	Interest
	Principal	Interest	Loans		
2012	\$ 295,000	\$ 97,593	\$ 35,308	\$ 330,308	\$ 97,593
2013	300,000	212,943	35,308	335,308	212,943
2014	275,000	209,620	35,308	310,308	209,620
2015	280,000	76,680	35,308	315,308	76,680
2016	295,000	64,850	35,308	330,308	64,850
2017-2021	880,000	161,335	168,817	1,048,817	161,335
2022-2026	395,000	40,920	139,400	534,400	40,920
2026-2028	-	-	17,201	17,201	-
Totals	\$ 2,720,000	\$ 863,941	\$ 501,958	\$ 3,221,958	\$ 863,941

The above amortization schedule does not agree to the general obligation bonds payable amount on the previous page due to the fact that it includes the Capital Appreciation Bonds that will be due in 2013 and 2014 in the amount of \$255,000. Capital Appreciation Bonds were accreted in the amount of \$31,132 during 2011, for a total of \$157,147.

	Business-Type Activities								
	General Obligation Bonds		Notes		OWDA Loans		OPWC	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2012	\$ 479,996	\$ 109,334	\$ 160,000	\$ 16,027	\$ 376,345	\$ 220,493	\$ 8,648	\$ 1,024,989	\$ 345,854
2013	235,000	84,819	160,000	14,014	390,208	206,631	8,648	793,856	305,464
2014	245,000	74,407	160,000	11,954	404,580	192,258	8,648	818,228	278,619
2015	260,000	63,453	160,000	9,845	419,482	177,357	8,648	848,130	250,655
2016	270,000	51,842	32,000	17,288	434,933	161,905	8,648	745,581	231,035
2017-2021	710,000	104,691	-	-	2,427,094	557,097	19,990	3,157,084	661,788
2022-2025	215,000	22,185	-	-	1,681,493	109,024	7,014	1,903,507	131,209
Totals	\$ 2,414,996	\$ 510,731	\$ 672,000	\$ 69,128	\$ 6,134,135	\$ 1,624,765	\$ 70,244	\$ 9,291,375	\$ 2,204,624

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 13: Jointly Governed Organization**

Lorain County General Health District

The Lorain County General Health District provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Amherst and Oberlin, and one member is elected jointly by the Cities of Avon and Sheffield Lake. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$44,042 during 2011 for the operation of the Health District. Complete financial statements can be obtained from the Lorain County General Health District, 9880 South Murray Ridge Road, Elyria, Ohio 44035.

## **Note 14: Joint Ventures**

### ***Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)***

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$160,000 to the joint venture for 2011. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire capital assets for JV2. Under a financing agreement between many of the participants of JV2 and AMP-Ohio, these participants have agreed to pay the debt service requirements of the bonds. The City issued their own bonds to pay their share of the project costs. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2011, the City's liability on these bonds was \$672,000 and is reflected as a liability in the City's Electric Enterprise Fund. The City's net investment and its share of the operating results of JV2 are reported in the City's Electric Enterprise Fund. The City's equity interest in JV2 was \$1,088,848 at December 31, 2011. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

## **Note 15: Contingencies**

### ***A. Grants***

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2011.

### ***B. Litigation***

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2011.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2011

### Note 16: Changes in Accounting Principles and Restatement of Balances

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The implementation of this statement resulted in the reclassification of certain funds, and resulted in a beginning balance restatement as follows:

	General Fund - Budgetary
Balance January 1, 2011	\$ 1,474,138
Reclassification of funds for GASB 54	(913,796)
Restated Balance January 1, 2011	<u>\$ 560,342</u>

### Note 17: Fund Balances

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

Fund Balances	General	Street Maintenance Repair	Street Improvement Income Tax	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>					
Prepaid Items	\$43,111	\$9,973	\$0	\$3,641	\$56,725
Inventory	<u>109,890</u>	<u>59,848</u>	<u>0</u>	<u>0</u>	<u>169,738</u>
Total Nonspendable	153,001	69,821	0	3,641	226,463
<b>Restricted for</b>					
Street Improvement	0	566,303	4,177,516	297,201	5,041,020
Park and Pool	0	0	0	274,849	274,849
Other Purposes	0	0	0	160,613	160,613
Planning Commission	0	0	0	255,516	255,516
Cable Television	0	0	0	749,856	749,856
Debt Services Payments	0	0	0	428,497	428,497
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>637,468</u>	<u>637,468</u>
Total Restricted	<u>0</u>	<u>566,303</u>	<u>4,177,516</u>	<u>2,804,000</u>	<u>7,547,819</u>
<b>Assigned to</b>					
Other Purposes	<u>74,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>74,755</u>
<b>Unassigned (Deficit)</b>					
	<u>2,096,842</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,096,842</u>
Total Fund Balances	<u>\$2,324,598</u>	<u>\$636,124</u>	<u>\$4,177,516</u>	<u>\$2,807,641</u>	<u>\$9,945,879</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 18: Contingent Liabilities**

### **American Municipal Power Generating Station Project**

The City of Amherst is a participant in the American Municipal Power Generating Station Project (the "AMPGS Project"). The City executed a take-or-pay contract on November 1, 2007 in order to participate in the AMPGS Project.

### **History of the AMPGS Project**

In November 2009, the participants of the AMP Generating Station Project (the "AMPGS Project") voted to terminate the development of the pulverized coal power plant in Meigs County, Ohio. (Please see attached Joint Resolution No. 09-11-2891 dated November 24, 2009.) The AMPGS Project was to be a 1,000 MW base load, clean-coal technology plant scheduled to go on-line in 2014. This pulverized coal plant was estimated to be a \$3 billion project, but the project's estimated capital costs increased by 37% and the engineer, procure and construct ("EPC") contractor could not guarantee that the costs would not continue to escalate. At the termination date, minimal construction had been performed on the AMPGS Project at the Meigs County site.

At the same time, the participants voted to pursue conversion of the project to a Natural Gas Combined Cycle Plant (the "NGCC Plant") to be developed under a lump-sum-turn-key fixed-price contract that would be open to interested AMP members. The NGCC Plant was planned to be developed on the Meigs County site previously planned for the AMPGS project. In February 2011, development of the NGCC Plant was suspended due to the availability of purchasing the AMP Fremont Energy Center ("AFEC") at a favorable price. AMP intends to develop this site for the construction of a generating asset; however, at December 31, 2011, the type of generating asset has not been determined.

As mentioned above, the AMPGS project participants signed "take or pay" contracts with AMP. As such, the participants of the project are obligated to pay all costs incurred for the project. To date it has not been determined what those total final costs are for the project participants.

As a result of these decisions to date, the AMPGS Project costs have been reclassified out of construction work-in-progress and into plant held for future use or regulatory assets in the combined balance sheet. AMP has reclassified \$34,881,075 of costs to plant held for future use as these costs were determined to be associated with the undeveloped Meigs County site regardless of the determination of which type of generating asset will be developed on the site. The remaining costs previously incurred were determined to be impaired but reclassified as a regulatory asset which is fully recoverable from the AMPGS Project participants as part of their unconditional obligation under the "take or pay" contract. At December 31, 2011 AMP has a regulatory asset of \$86,548,349 for the recovery of these abandoned construction costs. AMP is currently working with the AMPGS project participants to establish a formal plan for the recovery on a participant by participant basis.

AMP has consistently communicated with the AMPGS participants as to the risks and uncertainties with respect to the outstanding potential liability the City has as a result of the cancellation of the AMPGS Project. Meetings with AMPGS Project participants have been held as necessary to communicate any updates to both costs being incurred and ongoing litigation. At the request of the participants, on November 18, 2011 and December 13, 2011 AMP sent memos to AMPGS participants providing the participant's information identifying their potential AMPGS stranded cost liability and providing options for payment of those stranded costs, if the participant so chose. These memos were not invoices, but provided the participants with information which they could utilize in determining if they wanted to pay down a portion or all of the identified maximum exposure. AMP is holding the AMPGS Project stranded costs on its revolving credit facility and is accruing interest in addition to legal fees being incurred in its case with the EPC contractor. AMP would hold any payments received as a deposit in order to cease interest accruals on that portion paid.



# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2011**

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## **Note 18: Contingent Liabilities (Continued)**

Based on an allocation to Amherst of 5,000 kW and the allocation methodology, both approved as the same by the AMP Board of Trustees, as of December 31, 2011 the City of Amherst has a potential stranded cost obligation of \$817,776 for the AMPGS Project. The City of Amherst does not have any payments on deposit with AMP at December 31, 2011.

### **AMP Fremont Energy Center (AFEC) Development Fee**

The AFEC Development Fee is the amount paid by AFEC participants to the AMPGS project as a Development Fee in August, 2011. AFEC participants are a separate group of AMP members that obtained financing for engineering, consulting and other development costs for expertise obtained by AMP for Natural Gas Combined Cycle power plants. This amount is financed by AMP, Inc. and is to be collected through debt service from AFEC participants. The Development Fee paid by all AFEC Participants is credited to the potential AMPGS costs of each AFEC participant that is also an AMPGS participant in proportion to their relative percentage of AFEC (but not less than zero) as approved by the AMP Board (please see attached Amended Minutes of May 3, 2011). The City is a participant in the AFEC project and has received a credit to reduce its share of AMPGS potential stranded costs as noted below.

Based on the allocation methodology approved by the AMP Board of Trustees as mentioned above, the City receives a credit of \$92,133 for being a participant in both projects. This credit is proportionate to its AFEC allocation kW share of 880 and the total kW share of those participating in both projects. The City has not recorded this credit in its financial statements as of December 31, 2011.

### **Recording of Stranded Costs**

The City has not recorded stranded costs for the AMPGS Project. As previously mentioned, as of December 31, 2011, the City has an estimated maximum potential liability of \$817,776 with a minimum potential liability of zero. This dollar amount is subject to revision, pending the results of AMP's litigation with the EPC contractor.

Due to the uncertainty surrounding the potential liability and the fact that a firm estimate of the actual liability cannot be made at the present time, the City has chosen not to record the total potential stranded costs identified as a current expense. In the event that the City ultimately has to pay some portion of the stranded costs, they have decided to pay it out of existing cash reserves and recover such costs through future rate adjustments.

In making its determination as to how to proceed with the accounting treatment for the potential AMPGS Project liability, the City has relied upon its rate consultant, Legal Counsel, information provided by AMP and its legal counsel with respect to the data, as well as the City's auditors and City management.

**Combining Statements and  
Individual Fund Schedules**

# City of Amherst, Ohio

## Combining Statements Nonmajor Governmental Funds

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### **Nonmajor Special Revenue Funds**

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

*State Highway Fund*

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

*Street Maintenance and Repair Permissive Fund*

To account for local license fees designated for the maintenance of streets within the City.

*Park and Pool Fund*

To account for hotel tax monies used to operate the park and pool.

*Office on Aging Fund*

To account for revenues and expenditures of the Office on Aging.

*Planning Commission Fund*

To account for the revenue collected from developers for engineering studies of subdivisions and the expenditures the planning commission incurred for those engineering studies.

*Park Trust Fund*

To account for the impact fees and the interest earned from them to maintain the park.

*Assistance to Firefighters Fund*

To account for Federal grant monies for the purchase of materials and supplies for the Amherst fire department.

*Cable Television Fund*

To account for the revenues received from Media One and the expenditures incurred running the cable station.

*CPT Grant Fund*

To account for monies received from the Continuing Professional Training Grant, as required by the Ohio Revised Code.

*Law Enforcement Fund*

To account for monies received from the Federal Law Enforcement Agencies designated for law enforcement related purposes, as required by the Ohio Revised Code.

(Continued)

# City of Amherst, Ohio

## Combining Statements Nonmajor Governmental Funds

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### **Nonmajor Special Revenue Funds (Continued)**

#### *Drug Law Enforcement Fund*

To account for the portion of the fine money awarded to the City as a result of a drug conviction and earmarked for drug law enforcement.

#### *DUI Enforcement Fund*

To account for fines for DUI convictions awarded by the court which may be used for enforcement, education, or equipment relating to the DUI enforcement laws.

#### *Bullet Proof Vest Fund*

To account for the Federal grant monies to purchase bullet proof vests for officers.

#### *Housing Program Fund*

To account for funds returned from homeowners from the original Community Housing Improvement Projects.

### **Nonmajor Debt Service Fund**

The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

#### *General Obligation Bond Retirement Fund*

This fund accounts for transfers in and tax levies that are utilized for the repayment of general obligation debt.

### **Nonmajor Capital Projects Funds**

Capital projects funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the construction or acquisition of major capital facilities and other capital assets.

#### *Fire Apparatus Levy Fund*

To account for the money collected from the Fire Apparatus Levy and intended to be spent for capital improvements in the fire department.

#### *CDBG Improvements Fund*

To account for federal grant monies designated for community development within the City and the restoration of City Hall.

#### *Permanent Improvement Fund*

To account for the cost of various expenditures for various permanent improvements.

#### *City Hall Auditorium Fund*

To account for renovations and improvements to the City Hall Auditorium.

# City of Amherst, Ohio

## Combining Statements Nonmajor Governmental Funds

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### **Funds Reported Separately for Budgetary Purposes**

The following funds have been combined with the General Fund for reporting in accordance with accounting principles generally accepted in the United States of America. However, their budgets are reported separately in this section for accountability purposes.

#### *Municipal Income Tax Fund*

To account for taxes collected to be used for general operations, maintenance of equipment, enlargement and improvements of municipal services and facilities and capital improvement.

#### *Downtown Director Fund*

To account for Federal monies designated for downtown restoration.

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Governmental Funds

**December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 1,683,479	\$ 428,497	\$ 659,356	\$ 2,771,332
Accounts receivable	28,866	-	-	28,866
Intergovernmental receivable	62,358	14,311	17,691	94,360
Prepaid items	3,641	-	-	3,641
Property taxes receivable	-	194,268	240,603	434,871
Total assets	<u>\$ 1,778,344</u>	<u>\$ 637,076</u>	<u>\$ 917,650</u>	<u>\$ 3,333,070</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 13,951	\$ -	9,419	\$ 23,370
Contracts payable	-	-	12,469	12,469
Accrued wages and benefits payable	649	-	-	649
Intergovernmental payable	5,346	-	-	5,346
Deferred revenue	16,722	208,579	258,294	483,595
Total liabilities	<u>36,668</u>	<u>208,579</u>	<u>280,182</u>	<u>525,429</u>
<b>Fund balances:</b>				
Nonspendable	3,641	-	-	3,641
Restricted	1,738,035	428,497	637,468	2,804,000
Total fund balances	<u>1,741,676</u>	<u>428,497</u>	<u>637,468</u>	<u>2,807,641</u>
Total liabilities and fund balances	<u>\$ 1,778,344</u>	<u>\$ 637,076</u>	<u>\$ 917,650</u>	<u>\$ 3,333,070</u>

# City of Amherst, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

**For the Year Ended December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 47,021	\$ 201,758	\$ 244,512	\$ 493,291
Intergovernmental	103,814	28,518	35,254	167,586
Charges for services	190,868	-	-	190,868
Fees, licenses and permits	149,630	-	-	149,630
Fines and forfeitures	3,327	-	-	3,327
Investment earnings	13	-	1,069	1,082
Contributions and donations	6,035	-	-	6,035
Miscellaneous	37,259	-	-	37,259
<b>Total revenues</b>	<b>537,967</b>	<b>230,276</b>	<b>280,835</b>	<b>1,049,078</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	107,254	5,866	-	113,120
Security of persons and property	7,325	-	42,328	49,653
Public health and welfare	111,024	-	-	111,024
Transportation	36,396	-	-	36,396
Community development	-	-	3,754	3,754
Leisure time activities	189,708	-	-	189,708
Capital outlay	36,407	-	279,064	315,471
<b>Debt service:</b>				
Principal retirement	13,686	220,000	-	233,686
Interest and fiscal charges	29,274	59,333	-	88,607
<b>Total expenditures</b>	<b>531,074</b>	<b>285,199</b>	<b>325,146</b>	<b>1,141,419</b>
Excess of revenues over (under) expenditures	6,893	(54,923)	(44,311)	(92,341)
<b>Other financing sources (uses):</b>				
Transfers in	60,711	75,000	-	135,711
<b>Total other financing sources (uses)</b>	<b>60,711</b>	<b>75,000</b>	<b>-</b>	<b>135,711</b>
Net change in fund balances	67,604	20,077	(44,311)	43,370
Fund balances at beginning of year	1,674,072	408,420	681,779	2,764,271
Fund balances at end of year	\$ 1,741,676	\$ 428,497	\$ 637,468	\$ 2,807,641

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2011**

	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 32,817	\$ 292,267	\$ 63,929	\$ 53,902
Accounts receivable	-	-	25,855	1,981
Intergovernmental receivable	19,987	4,934	-	-
Prepaid items	-	-	2,244	898
<b>Total assets</b>	<b>\$ 52,804</b>	<b>\$ 297,201</b>	<b>\$ 92,028</b>	<b>\$ 56,781</b>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 139	\$ -	\$ 1,149	\$ 8,767
Accrued wages and benefits payable	-	-	349	300
Intergovernmental payable	-	-	2,686	1,892
Deferred revenue	16,722	-	-	-
<b>Total liabilities</b>	<b>16,861</b>	<b>-</b>	<b>4,184</b>	<b>10,959</b>
<b>Fund balances:</b>				
Nonspendable	-	-	2,244	898
Restricted	35,943	297,201	85,600	44,924
<b>Total fund balances</b>	<b>35,943</b>	<b>297,201</b>	<b>87,844</b>	<b>45,822</b>
<b>Total liabilities and fund balances</b>	<b>\$ 52,804</b>	<b>\$ 297,201</b>	<b>\$ 92,028</b>	<b>\$ 56,781</b>



<u>Planning Commission</u>	<u>Park Trust</u>	<u>Assistance to Firefighters</u>	<u>Cable Television</u>
\$ 255,516	\$ 190,150	\$ 395	\$ 716,182
-	-	-	-
-	-	-	37,437
-	-	-	499
<u>\$ 255,516</u>	<u>\$ 190,150</u>	<u>\$ 395</u>	<u>\$ 754,118</u>
\$ -	\$ 133	\$ -	\$ 3,763
-	-	-	-
-	768	-	-
-	-	-	-
<u>-</u>	<u>901</u>	<u>-</u>	<u>3,763</u>
-	-	-	499
<u>255,516</u>	<u>189,249</u>	<u>395</u>	<u>749,856</u>
<u>255,516</u>	<u>189,249</u>	<u>395</u>	<u>750,355</u>
<u>\$ 255,516</u>	<u>\$ 190,150</u>	<u>\$ 395</u>	<u>\$ 754,118</u>

(Continued)

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds (Continued)

**December 31, 2011**

	CPT Grant	Law Enforcement	Drug Law Enforcement	DUI Enforcement
Assets:				
Equity in pooled cash and investments	\$ 3,545	\$ 37,977	\$ 458	\$ 2,412
Accounts receivable	-	-	800	230
Intergovernmental receivable	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 3,545</u>	<u>\$ 37,977</u>	<u>\$ 1,258</u>	<u>\$ 2,642</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	<u>3,545</u>	<u>37,977</u>	<u>1,258</u>	<u>2,642</u>
Total fund balances	<u>3,545</u>	<u>37,977</u>	<u>1,258</u>	<u>2,642</u>
Total liabilities and fund balances	<u>\$ 3,545</u>	<u>\$ 37,977</u>	<u>\$ 1,258</u>	<u>\$ 2,642</u>

Bullet Proof Vest	Housing Program	Total Nonmajor Special Revenue Funds
\$ 953	\$ 32,976	\$ 1,683,479
-	-	28,866
-	-	62,358
-	-	3,641
<u>\$ 953</u>	<u>\$ 32,976</u>	<u>1,778,344</u>
\$ -	\$ -	\$ 13,951
-	-	649
-	-	5,346
-	-	16,722
<u>-</u>	<u>-</u>	<u>36,668</u>
-	-	3,641
<u>953</u>	<u>32,976</u>	<u>1,738,035</u>
<u>953</u>	<u>32,976</u>	<u>1,741,676</u>
<u>\$ 953</u>	<u>\$ 32,976</u>	<u>\$ 1,778,344</u>

## City of Amherst, Ohio

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

**For the Year Ended December 31, 2011**

	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging
<b>Revenues:</b>				
Intergovernmental	\$ 39,858	\$ 61,836	\$ -	\$ -
Charges for services	-	-	81,736	45,132
Fees, licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	13
Property taxes	-	-	47,021	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	18,895	4,161
<b>Total revenues</b>	<b>39,858</b>	<b>61,836</b>	<b>147,652</b>	<b>49,306</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	-	-	111,024
Transportation	36,396	-	-	-
Leisure time activities	-	-	153,530	-
Capital outlay	-	-	-	-
<b>Debt Service:</b>				
Principal retirement	-	13,686	-	-
Interest and fiscal charges	-	29,274	-	-
<b>Total expenditures</b>	<b>36,396</b>	<b>42,960</b>	<b>153,530</b>	<b>111,024</b>
<b>Excess of revenues over (under) expenditures</b>	<b>3,462</b>	<b>18,876</b>	<b>(5,878)</b>	<b>(61,718)</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	50,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Net change in fund balances</b>	<b>3,462</b>	<b>18,876</b>	<b>(5,878)</b>	<b>(11,718)</b>
<b>Fund balances at beginning of year</b>	<b>32,481</b>	<b>278,325</b>	<b>93,722</b>	<b>57,540</b>
<b>Fund balances at end of year</b>	<b>\$ 35,943</b>	<b>\$ 297,201</b>	<b>\$ 87,844</b>	<b>\$ 45,822</b>

Planning Commission	Park Trust	Assistance to Firefighters	Cable Television
\$ -	\$ -	\$ -	\$ 1,167
18,700	36,780	-	8,520
-	-	-	149,630
-	-	-	-
-	-	-	-
-	6,035	-	-
-	-	-	-
18,700	42,815	-	159,317
-	-	-	107,254
-	-	669	-
-	-	-	-
-	36,178	-	-
36,407	-	-	-
-	-	-	-
-	-	-	-
36,407	36,178	669	107,254
(17,707)	6,637	(669)	52,063
-	-	-	-
-	-	-	-
(17,707)	6,637	(669)	52,063
273,223	182,612	1,064	698,292
<u>\$ 255,516</u>	<u>\$ 189,249</u>	<u>\$ 395</u>	<u>\$ 750,355</u>

(Continued)

## City of Amherst, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Continued)

**For the Year Ended December 31, 2011**

	CPT Grant	Law Enforcement	Drug Law Enforcement
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fees, licenses and permits	-	-	-
Fines and forfeitures	-	-	1,242
Investment earnings	-	-	-
Property taxes	-	-	-
Contributions and donations	-	-	-
Miscellaneous	-	14,030	-
Total revenues	<u>-</u>	<u>14,030</u>	<u>1,242</u>
Expenditures:			
Current:			
General government	-	-	-
Security of persons and property	-	4,188	-
Public health and welfare	-	-	-
Transportation	-	-	-
Leisure time activities	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>4,188</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>9,842</u>	<u>1,242</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>10,711</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>10,711</u>	<u>-</u>
Net change in fund balances	-	20,553	1,242
Fund balances at beginning of year	<u>3,545</u>	<u>17,424</u>	<u>16</u>
Fund balances at end of year	<u>\$ 3,545</u>	<u>\$ 37,977</u>	<u>\$ 1,258</u>

DUI Enforcement	Bullet Proof Vest	Housing Program	Total Nonmajor Special Revenue Funds
\$ -	\$ 953	\$ -	\$ 103,814
-	-	-	190,868
-	-	-	149,630
2,085	-	-	3,327
-	-	-	13
-	-	-	47,021
-	-	-	6,035
-	-	173	37,259
<u>2,085</u>	<u>953</u>	<u>173</u>	<u>537,967</u>
-	-	-	107,254
2,468	-	-	7,325
-	-	-	111,024
-	-	-	36,396
-	-	-	189,708
-	-	-	36,407
-	-	-	13,686
-	-	-	29,274
<u>2,468</u>	<u>-</u>	<u>-</u>	<u>531,074</u>
<u>(383)</u>	<u>953</u>	<u>173</u>	<u>6,893</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>60,711</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>60,711</u>
<u>(383)</u>	<u>953</u>	<u>173</u>	<u>67,604</u>
<u>3,025</u>	<u>-</u>	<u>32,803</u>	<u>1,674,072</u>
<u>\$ 2,642</u>	<u>\$ 953</u>	<u>\$ 32,976</u>	<u>\$ 1,741,676</u>

# City of Amherst, Ohio

Combining Balance Sheet  
Nonmajor Capital Projects Funds

**December 31, 2011**

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 457,790	\$ 1,385	\$ 178
Intergovernmental receivable	17,691	-	-
Property taxes receivable	240,603	-	-
Total assets	<u>\$ 716,084</u>	<u>\$ 1,385</u>	<u>\$ 178</u>
<b>Liabilities and fund balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 9,419	\$ -	\$ -
Contracts payable	12,469	-	-
Deferred revenue	258,294	-	-
Total liabilities	<u>280,182</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Restricted	435,902	1,385	178
Total fund balances	<u>435,902</u>	<u>1,385</u>	<u>178</u>
Total liabilities and fund balances	<u>\$ 716,084</u>	<u>\$ 1,385</u>	<u>\$ 178</u>



City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ 200,003	\$ 659,356
-	17,691
-	240,603
<u>\$ 200,003</u>	<u>\$ 917,650</u>
\$ -	\$ 9,419
-	12,469
-	258,294
-	280,182
<u>200,003</u>	<u>637,468</u>
<u>200,003</u>	<u>637,468</u>
<u><u>\$ 200,003</u></u>	<u><u>\$ 917,650</u></u>

# City of Amherst, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds

**For the Year Ended December 31, 2011**

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
Revenues:			
Property taxes	\$ 244,512	\$ -	\$ -
Intergovernmental	35,254	-	-
Investment earnings	-	-	-
Total revenues	<u>279,766</u>	<u>-</u>	<u>-</u>
Expenditures:			
Security of persons and property	42,328	-	-
Community development	-	-	1,292
Capital outlay	<u>279,064</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>321,392</u>	<u>-</u>	<u>1,292</u>
Net change in fund balances	(41,626)	-	(1,292)
Fund balances at beginning of year	<u>477,528</u>	<u>1,385</u>	<u>1,470</u>
Fund balances at end of year	<u>\$ 435,902</u>	<u>\$ 1,385</u>	<u>\$ 178</u>

City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ -	\$ 244,512
-	35,254
<u>1,069</u>	<u>1,069</u>
<u>1,069</u>	<u>280,835</u>
-	42,328
2,462	3,754
-	<u>279,064</u>
<u>2,462</u>	<u>325,146</u>
(1,393)	(44,311)
<u>201,396</u>	<u>681,779</u>
<u>\$ 200,003</u>	<u>\$ 637,468</u>

# City of Amherst, Ohio

## Combining Statements Fiduciary Funds

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### **Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

#### ***Private Purpose Trust Fund***

##### *Cemetery Trust Fund*

To account for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment.

#### ***Agency Funds***

##### *Street Openings Fund*

To account for monies collected and disbursed for a bond and permit fee to assure repair of streets opened for repairs or tap-ins.

##### *Building Standards Assessment Fund*

To account for the collection and disbursement of the three percent assessment fee required on all commercial building permits. This three percent fee is remitted to the State Board of Building Standards monthly.

##### *Developer's Deposits and Fees Fund*

To account for deposits made by developers which are held in escrow by the City until the developments are completed.

# City of Amherst, Ohio

## Combining Statement of Assets and Liabilities Agency Funds

**December 31, 2011**

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	<u>Street Openings</u>	<u>Building Standards Assessment</u>	<u>Developer's Deposits and Fees</u>	<u>Total</u>
Assets:				
Equity in pooled cash and investments	<u>\$ 12,322</u>	<u>\$ 3,088</u>	<u>\$ 9,475</u>	<u>\$ 24,885</u>
Total Assets	<u><u>\$ 12,322</u></u>	<u><u>\$ 3,088</u></u>	<u><u>\$ 9,475</u></u>	<u><u>\$ 24,885</u></u>
Liabilities:				
Deposits held and due to others	<u>\$ 12,322</u>	<u>\$ 3,088</u>	<u>\$ 9,475</u>	<u>\$ 24,885</u>
Total Liabilities	<u><u>\$ 12,322</u></u>	<u><u>\$ 3,088</u></u>	<u><u>\$ 9,475</u></u>	<u><u>\$ 24,885</u></u>

# City of Amherst, Ohio

## Combining Statement of Changes in Assets and Liabilities Agency Funds

### For the Year Ended December 31, 2011

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<b>Street Openings</b>				
Assets:				
Equity in pooled cash and investments	\$ 14,322	\$ -	\$ 2,000	\$ 12,322
Liabilities:				
Deposits held and due to others	\$ 14,322	\$ -	\$ 2,000	\$ 12,322
Total liabilities	\$ 14,322	\$ -	\$ 2,000	\$ 12,322
<b>Building Standards Assessment</b>				
Assets:				
Equity in pooled cash and investments	\$ 2,951	\$ 2,019	\$ 1,882	\$ 3,088
Liabilities:				
Deposits held and due to others	\$ 2,951	\$ 2,019	\$ 1,882	\$ 3,088
<b>Developer's Deposits and Fees</b>				
Assets:				
Equity in pooled cash and investments	\$ 7,475	\$ 5,000	\$ 3,000	\$ 9,475
Liabilities:				
Deposits held and due to others	\$ 7,475	\$ 5,000	\$ 3,000	\$ 9,475
<b>Totals - All Agency Funds</b>				
Assets:				
Equity in pooled cash and investments	\$ 24,748	\$ 7,019	\$ 6,882	\$ 24,885
Total assets	\$ 24,748	\$ 7,019	\$ 6,882	\$ 24,885
Liabilities:				
Deposits held and due to others	\$ 24,748	\$ 7,019	\$ 6,882	\$ 24,885
Total liabilities	\$ 24,748	\$ 7,019	\$ 6,882	\$ 24,885

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

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

#### General Fund

#### For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 840,000	\$ 840,000	\$ 848,115	\$ 8,115
Income taxes	3,090,000	3,090,000	3,246,736	156,736
Intergovernmental	522,400	522,400	586,649	64,249
Charges for services	85,600	85,600	83,951	(1,649)
Fines and forfeitures	50,000	50,000	52,575	2,575
Fees, licenses and permits	131,000	131,000	150,241	19,241
Contributions and donations	-	-	4,296	4,296
Interest	125,000	125,000	107,092	(17,908)
Miscellaneous	31,000	31,000	20,324	(10,676)
Total revenues	<u>4,875,000</u>	<u>4,875,000</u>	<u>5,099,979</u>	<u>224,979</u>
Expenditures:				
Current operations and maintenance:				
General Government:				
Mayor's office				
Salaries and wages	95,100	95,100	95,100	-
Fringe benefits	19,200	19,200	18,152	1,048
Materials and supplies	3,500	3,500	1,646	1,854
Contractual services	8,000	8,000	6,840	1,160
Total mayor's office	<u>125,800</u>	<u>125,800</u>	<u>121,738</u>	<u>4,062</u>
Safety services				
Salaries and wages	17,000	17,000	17,000	-
Fringe benefits	3,600	3,600	3,021	579
Materials and supplies	1,200	1,200	-	1,200
Contractual services	41,500	41,500	36,931	4,569
Total safety services	<u>63,300</u>	<u>63,300</u>	<u>56,952</u>	<u>6,348</u>
City council				
Salaries and wages	72,000	72,000	71,916	84
Fringe benefits	15,100	15,100	13,832	1,268
Materials and supplies	2,806	2,806	2,806	-
Contractual services	21,473	21,473	21,473	-
Total city council	<u>111,379</u>	<u>111,379</u>	<u>110,027</u>	<u>1,352</u>

(continued)



## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

General Fund (continued)

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Auditor</b>				
Salaries and wages	96,500	96,500	86,460	10,040
Fringe benefits	31,500	31,500	25,928	5,572
Materials and supplies	9,167	9,167	2,381	6,786
Contractual services	54,100	54,100	48,076	6,024
Capital outlay	4,000	4,000	-	4,000
<b>Total auditor</b>	<b>195,267</b>	<b>195,267</b>	<b>162,845</b>	<b>32,422</b>
<b>Treasurer</b>				
Salaries and wages	57,700	57,700	57,700	-
Fringe benefits	11,200	11,200	11,200	-
Materials and supplies	5,500	5,500	1,567	3,933
Contractual services	19,451	19,451	11,249	8,202
<b>Total treasurer</b>	<b>93,851</b>	<b>93,851</b>	<b>81,716</b>	<b>12,135</b>
<b>Law Director</b>				
Salaries and wages	136,500	136,500	136,121	379
Fringe benefits	26,200	26,200	24,269	1,931
Contractual services	40,000	40,000	39,809	191
<b>Total law director</b>	<b>202,700</b>	<b>202,700</b>	<b>200,199</b>	<b>2,501</b>
<b>City hall</b>				
Materials and supplies	2,500	2,500	1,222	1,278
Contractual services	17,438	17,438	11,842	5,596
<b>Total city hall</b>	<b>19,938</b>	<b>19,938</b>	<b>13,064</b>	<b>6,874</b>
<b>Civil service commission</b>				
Salaries and wages	2,300	2,300	2,232	68
Fringe benefits	600	600	397	203
Materials and supplies	500	500	-	500
Contractual services	8,000	8,000	7,000	1,000
<b>Total civil service commission</b>	<b>11,400</b>	<b>11,400</b>	<b>9,629</b>	<b>1,771</b>

(continued)

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

General Fund (continued)

**For The Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous				
Contractual services	83,200	83,200	54,262	28,938
Total miscellaneous	<u>83,200</u>	<u>83,200</u>	<u>54,262</u>	<u>28,938</u>
Total general government	<u>906,835</u>	<u>906,835</u>	<u>810,432</u>	<u>96,403</u>
Security of persons and property:				
Police department				
Salaries and wages	1,810,000	1,810,000	1,778,377	31,623
Fringe benefits	831,650	831,650	747,904	83,746
Materials and supplies	144,616	144,616	119,234	25,382
Contractual services	184,330	184,330	182,283	2,047
Capital outlay	83,364	83,364	75,736	7,628
Total police department	<u>3,053,960</u>	<u>3,053,960</u>	<u>2,903,534</u>	<u>150,426</u>
Fire department				
Salaries and wages	354,000	354,000	348,475	5,525
Fringe benefits	84,200	84,200	65,685	18,515
Materials and supplies	18,397	18,397	13,559	4,838
Contractual services	59,827	59,827	46,130	13,697
Total fire department	<u>516,424</u>	<u>516,424</u>	<u>473,849</u>	<u>42,575</u>
Total security of persons and property	<u>3,570,384</u>	<u>3,570,384</u>	<u>3,377,383</u>	<u>193,001</u>
Public health and welfare				
Cemetery				
Materials and supplies	100	100	70	30
Contractual services	16,000	16,000	14,846	1,154
Total cemetery	<u>16,100</u>	<u>16,100</u>	<u>14,916</u>	<u>1,184</u>

(continued)

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

General Fund (continued)

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County health district				
Contractual services	48,000	48,000	44,042	3,958
Total county health district	<u>48,000</u>	<u>48,000</u>	<u>44,042</u>	<u>3,958</u>
Total public health and welfare	<u>64,100</u>	<u>64,100</u>	<u>58,958</u>	<u>5,142</u>
Community development				
Building inspector				
Salaries and wages	61,000	61,000	61,000	-
Fringe benefits	32,053	32,000	27,767	4,233
Materials and supplies	3,500	3,500	2,000	1,500
Contractual services	40,089	37,850	28,936	8,914
Total building inspector	<u>136,642</u>	<u>134,350</u>	<u>119,703</u>	<u>14,647</u>
Planning commission				
Materials and supplies	650	650	191	459
Total planning commission	<u>650</u>	<u>650</u>	<u>191</u>	<u>459</u>
Board of zoning appeals				
Materials and supplies	997	997	99	898
Contractual services	1,500	1,500	1,500	-
Total board of zoning appeals	<u>2,497</u>	<u>2,497</u>	<u>1,599</u>	<u>898</u>
Total community development	<u>139,789</u>	<u>137,497</u>	<u>121,493</u>	<u>16,004</u>
Total expenditures	<u>4,681,108</u>	<u>4,678,816</u>	<u>4,368,266</u>	<u>310,550</u>

(continued)

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

General Fund (continued)

**For The Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess of revenues over (under) expenditures	<u>193,892</u>	<u>196,184</u>	<u>731,713</u>	<u>535,529</u>
Other financing sources (uses):				
Transfers out	<u>(662,000)</u>	<u>(662,000)</u>	<u>(609,134)</u>	<u>52,866</u>
Total other financing sources (uses)	<u>(662,000)</u>	<u>(662,000)</u>	<u>(609,134)</u>	<u>52,866</u>
Net change in fund balance	(468,108)	(465,816)	122,579	588,395
Fund balance at beginning of year - As Restated	560,342	560,342	560,342	-
Prior year encumbrances appropriated	<u>41,958</u>	<u>41,958</u>	<u>41,958</u>	<u>-</u>
Fund balance at end of year	<u>\$ 134,192</u>	<u>\$ 136,484</u>	<u>\$ 724,879</u>	<u>\$ 588,395</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Street Maintenance Repair Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 492,999	\$ 92,999
Miscellaneous	1,000	1,000	1,447	447
Total revenues	<u>401,000</u>	<u>401,000</u>	<u>494,446</u>	<u>93,446</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	485,000	485,000	423,159	61,841
Fringe benefits	211,500	211,500	180,205	31,295
Contractual services	83,678	83,678	69,001	14,677
Materials and supplies	269,817	269,817	245,752	24,065
Capital outlay	<u>78,300</u>	<u>78,300</u>	<u>57,287</u>	<u>21,013</u>
Total expenditures	<u>1,128,295</u>	<u>1,128,295</u>	<u>975,404</u>	<u>152,891</u>
Excess of revenues over (under) expenditures	(727,295)	(727,295)	(480,958)	246,337
Other financing sources (uses):				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>440,000</u>	<u>(60,000)</u>
Net change in fund balance	(227,295)	(227,295)	(40,958)	186,337
Fund balance at beginning of year	532,593	532,593	532,593	-
Prior year encumbrances appropriated	<u>13,295</u>	<u>13,295</u>	<u>13,295</u>	<u>-</u>
Fund balance at end of year	<u>\$ 318,593</u>	<u>\$ 318,593</u>	<u>\$ 504,930</u>	<u>\$ 186,337</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Street Improvement Income Tax Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 975,000	\$ 975,000	\$ 1,027,557	\$ 52,557
Intergovernmental	-	-	332,017	332,017
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,359,574</u>	<u>384,574</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	296,532	296,532	174,169	122,363
Capital outlay	2,282,649	2,282,649	2,029,747	252,902
Refunds and reimbursement	35,000	35,000	15,831	19,169
Debt service:				
Principal retirement	85,000	85,000	81,622	3,378
Interest and fiscal charges	45,000	45,000	37,306	7,694
Total expenditures	<u>2,744,181</u>	<u>2,744,181</u>	<u>2,338,675</u>	<u>405,506</u>
Excess of revenues over (under) expenditures	(1,769,181)	(1,769,181)	(979,101)	790,080
Other financing sources (uses):				
Transfers out	(250,000)	(250,000)	-	250,000
Advances out	(125,000)	(125,000)	-	125,000
Total other financing sources (uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>375,000</u>
Net change in fund balance	(2,144,181)	(2,144,181)	(979,101)	1,165,080
Fund balance at beginning of year	4,121,015	4,121,015	4,121,015	-
Prior year encumbrances appropriated	<u>594,681</u>	<u>594,681</u>	<u>594,681</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,571,515</u>	<u>\$ 2,571,515</u>	<u>\$ 3,736,595</u>	<u>\$ 1,165,080</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenses and Changes In Fund Equity -  
Budget (Non-GAAP Basis) and Actual

Water Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,747,750	\$ 1,747,750	\$ 2,317,693	\$ 569,943
Miscellaneous		-	3,860	3,860
Total revenues	<u>1,747,750</u>	<u>1,747,750</u>	<u>2,321,553</u>	<u>573,803</u>
Expenses:				
Water operations:				
Salaries and wages	363,820	363,820	350,995	12,825
Fringe benefits	246,865	246,865	130,195	116,670
Contractual services	1,602,890	1,602,890	1,544,661	58,229
Materials and supplies	174,947	174,947	131,727	43,220
Refunds and reimbursements	10,000	10,000	7,753	2,247
Capital outlay	410,826	410,826	166,569	244,257
Debt service:				
Principal retirement	95,000	95,000	95,000	-
Interest and fiscal charges	55,000	55,000	53,140	1,860
Total expenses	<u>2,959,348</u>	<u>2,959,348</u>	<u>2,480,040</u>	<u>479,308</u>
Net change in fund equity	(1,211,598)	(1,211,598)	(158,487)	1,053,111
Fund equity at beginning of year	1,409,727	1,409,727	1,409,727	-
Prior year encumbrances appropriated	<u>53,060</u>	<u>53,060</u>	<u>53,060</u>	-
Fund equity at end of year	<u>\$ 251,189</u>	<u>\$ 251,189</u>	<u>\$ 1,304,300</u>	<u>\$ 1,053,111</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenses and Changes In Fund Equity -  
Budget (Non-GAAP Basis) and Actual

Sewer Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 2,396,250	\$ 2,396,250	\$ 2,475,103	\$ 78,853
Miscellaneous	-	-	4,044	4,044
Total revenues	<u>2,396,250</u>	<u>2,396,250</u>	<u>2,479,147</u>	<u>82,897</u>
<b>Expenses:</b>				
Sewer operations:				
Salaries and wages	608,800	608,800	588,678	20,122
Fringe benefits	424,090	424,090	396,235	27,855
Contractual services	547,808	547,808	419,630	128,178
Materials and supplies	354,144	354,144	175,594	178,550
Refunds and reimbursements	19,000	19,000	2,959	16,041
Capital outlay	1,317,742	1,577,742	1,251,861	325,881
Debt service:				
Principal retirement	572,000	572,000	566,168	5,832
Interest and fiscal charges	275,000	275,000	266,957	8,043
Total expenses	<u>4,118,584</u>	<u>4,378,584</u>	<u>3,668,082</u>	<u>710,502</u>
Net change in fund equity	(1,722,334)	(1,982,334)	(1,188,935)	793,399
Fund equity at beginning of year	3,041,168	3,041,168	3,041,168	-
Prior year encumbrances appropriated	<u>515,834</u>	<u>515,834</u>	<u>515,834</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,834,668</u>	<u>\$ 1,574,668</u>	<u>\$ 2,368,067</u>	<u>\$ 793,399</u>



**City of Amherst, Ohio**

Schedule of Revenues, Expenses and Changes In Fund Equity -  
Budget (Non-GAAP Basis) and Actual

Electric Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 8,876,000	\$ 8,876,000	\$ 10,302,481	\$ 1,426,481
Miscellaneous	-	-	14,377	14,377
Total revenues	<u>8,876,000</u>	<u>8,876,000</u>	<u>10,316,858</u>	<u>1,440,858</u>
Expenses:				
Electric operations:				
Salaries and wages	659,330	659,330	463,482	195,848
Fringe benefits	611,210	611,210	420,991	190,219
Contractual services	8,895,071	8,895,071	8,306,731	588,340
Materials and supplies	159,396	159,396	138,858	20,538
Refunds and reimbursements	25,000	25,000	13,994	11,006
Capital outlay	432,898	432,898	183,579	249,319
Debt service:				
Principal retirement	345,000	345,000	330,456	14,544
Interest and fiscal charges	85,000	85,000	59,502	25,498
Total expenses	<u>11,212,905</u>	<u>11,212,905</u>	<u>9,917,593</u>	<u>1,295,312</u>
Excess of revenues over (under) expenses before transfers	(2,336,905)	(2,336,905)	399,265	2,736,170
Transfers:				
Transfers in	450,000	450,000	-	(450,000)
Transfers out	(450,000)	(460,000)	-	460,000
Total transfers	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund equity	(2,336,905)	(2,346,905)	399,265	2,746,170
Fund equity at beginning of year	4,065,521	4,065,521	4,065,521	-
Prior year encumbrances appropriated	89,728	89,728	89,728	-
Fund equity at end of year	<u>\$ 1,818,344</u>	<u>\$ 1,808,344</u>	<u>\$ 4,554,514</u>	<u>\$ 2,746,170</u>

**City of Amherst, 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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 33,500	\$ 33,500	\$ 39,973	\$ 6,473
Total revenues	<u>33,500</u>	<u>33,500</u>	<u>39,973</u>	<u>6,473</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Salaries & Wages	10,000	10,000	10,000	-
Contractual services	8,000	8,000	7,777	223
Materials and supplies	18,857	18,857	18,818	39
Total expenditures	<u>36,857</u>	<u>36,857</u>	<u>36,595</u>	<u>262</u>
Net change in fund balance	(3,357)	(3,357)	3,378	6,735
Fund balance at beginning of year	28,273	28,273	28,273	-
Prior year encumbrances appropriated	<u>857</u>	<u>857</u>	<u>857</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,773</u>	<u>\$ 25,773</u>	<u>\$ 32,508</u>	<u>\$ 6,735</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Street Maintenance and Repair Permissive Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 61,967	\$ 1,967
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>61,967</u>	<u>1,967</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital Outlay	20,000	20,000	20,000	-
Debt service:				
Principal	14,000	14,000	13,686	314
Interest and fiscal charges	12,000	12,000	11,024	976
Total expenditures	<u>46,000</u>	<u>46,000</u>	<u>44,710</u>	<u>1,290</u>
Net change in fund balance	14,000	14,000	17,257	3,257
Fund balance at beginning of year	<u>273,260</u>	<u>273,260</u>	<u>273,260</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 287,260</u></u>	<u><u>\$ 287,260</u></u>	<u><u>\$ 290,517</u></u>	<u><u>\$ 3,257</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Park and Pool Fund

**For The Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 45,163	\$ 5,163
Charges for services	71,000	71,000	95,977	24,977
Miscellaneous	14,000	14,000	3,390	(10,610)
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>144,530</u>	<u>19,530</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Salaries and wages	102,000	102,000	92,232	9,768
Fringe benefits	20,300	20,300	16,387	3,913
Contractual services	25,874	25,874	19,794	6,080
Materials and supplies	35,538	35,538	24,717	10,821
Capital outlay	3,500	3,500	-	3,500
Total expenditures	<u>187,212</u>	<u>187,212</u>	<u>153,130</u>	<u>34,082</u>
Net change in fund balance	(62,212)	(62,212)	(8,600)	53,612
Fund balance at beginning of year	70,463	70,463	70,463	-
Prior year encumbrances appropriated	<u>1,112</u>	<u>1,112</u>	<u>1,112</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,363</u>	<u>\$ 9,363</u>	<u>\$ 62,975</u>	<u>\$ 53,612</u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

Office on Aging Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 44,198	\$ 14,198
Interest	1,000	1,000	13	(987)
Miscellaneous	1,500	1,500	4,161	2,661
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>48,372</u>	<u>15,872</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	57,204	57,204	56,070	1,134
Fringe benefits	22,800	22,800	20,828	1,972
Contractual services	35,635	35,635	29,108	6,527
Materials and supplies	6,280	6,280	4,661	1,619
Capital Outlay	500	500	-	500
Total expenditures	<u>122,419</u>	<u>122,419</u>	<u>110,667</u>	<u>11,752</u>
Excess of revenues under expenditures	(89,919)	(89,919)	(62,295)	27,624
Other financing sources:				
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>50,000</u>	<u>(15,000)</u>
Net change in fund balance	(24,919)	(24,919)	(12,295)	12,624
Fund balance at beginning of year	57,839	57,839	57,839	-
Prior year encumbrances appropriated	<u>4,619</u>	<u>4,619</u>	<u>4,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 37,539</u>	<u>\$ 37,539</u>	<u>\$ 50,163</u>	<u>\$ 12,624</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Planning Commission Fund

**For The Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 18,700	\$ 3,700
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>18,700</u>	<u>3,700</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	10,127	10,127	127	10,000
Capital Outlay	<u>134,206</u>	<u>134,206</u>	<u>36,407</u>	<u>97,799</u>
Total expenditures	<u>144,333</u>	<u>144,333</u>	<u>36,534</u>	<u>107,799</u>
Net change in fund balance	(129,333)	(129,333)	(17,834)	111,499
Fund balance at beginning of year	236,818	236,818	236,818	-
Prior year encumbrances appropriated	<u>36,533</u>	<u>36,533</u>	<u>36,533</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 144,018</u></u>	<u><u>\$ 144,018</u></u>	<u><u>\$ 255,517</u></u>	<u><u>\$ 111,499</u></u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

Park Trust Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ 23,000	\$ 23,000	\$ 42,815	\$ 19,815
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>42,815</u>	<u>19,815</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Materials and supplies	50,284	50,284	12,295	37,989
Contractual services	1,000	1,000	765	235
Capital outlay	25,000	25,000	23,623	1,377
Total expenditures	<u>76,284</u>	<u>76,284</u>	<u>36,683</u>	<u>39,601</u>
Excess of revenues over (under) expenditures	(53,284)	(53,284)	6,132	59,416
Other financing sources (uses):				
Transfers out	(10,000)	(10,000)	-	10,000
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	(63,284)	(63,284)	6,132	69,416
Fund balance at beginning of year	183,093	183,093	183,093	-
Prior year encumbrances appropriated	<u>284</u>	<u>284</u>	<u>284</u>	<u>-</u>
Fund balance at end of year	<u>\$ 120,093</u>	<u>\$ 120,093</u>	<u>\$ 189,509</u>	<u>\$ 69,416</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Assistance to Firefighters Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 28,123	\$ 28,123	\$ -	\$ (28,123)
Total revenues	<u>28,123</u>	<u>28,123</u>	<u>-</u>	<u>(28,123)</u>
Expenditures:				
Current operations and maintenance:				
Materials and supplies	29,187	29,187	669	28,518
Total expenditures	<u>29,187</u>	<u>29,187</u>	<u>669</u>	<u>28,518</u>
Net change in fund balance	(1,064)	(1,064)	(669)	395
Fund balance at beginning of year	395	395	395	-
Prior year encumbrances appropriated	<u>669</u>	<u>669</u>	<u>669</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 395</u>



**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Cable Television Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 131,400	\$ 131,400	\$ 149,630	\$ 18,230
Charges for services	8,600	8,600	8,520	(80)
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>158,150</u>	<u>18,150</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	74,190	74,190	58,518	15,672
Materials and supplies	31,172	31,172	5,429	25,743
Capital outlay	<u>100,000</u>	<u>350,000</u>	<u>328,655</u>	<u>21,345</u>
Total expenditures	<u>205,362</u>	<u>455,362</u>	<u>392,602</u>	<u>62,760</u>
Net change in fund balance	(65,362)	(315,362)	(234,452)	80,910
Fund balance at beginning of year	662,441	662,441	662,441	-
Prior year encumbrances appropriated	<u>2,562</u>	<u>2,562</u>	<u>2,562</u>	<u>-</u>
Fund balance at end of year	<u>\$ 599,641</u>	<u>\$ 349,641</u>	<u>\$ 430,551</u>	<u>\$ 80,910</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

CPT Grant Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Community Environment				
Capital outlay	3,545	3,545	-	3,545
Total expenditures	<u>3,545</u>	<u>3,545</u>	<u>-</u>	<u>3,545</u>
Net change in fund balance	(3,545)	(3,545)	-	3,545
Fund balance at beginning of year	980	980	980	-
Prior year encumbrances appropriated	<u>2,565</u>	<u>2,565</u>	<u>2,565</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,545</u>	<u>\$ 3,545</u>

**City of Amherst, 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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ 20,000	\$ 14,030	\$ (5,970)
Total revenues	<u>-</u>	<u>20,000</u>	<u>14,030</u>	<u>(5,970)</u>
Expenditures:				
Security of persons and property:				
Capital outlay	17,424	32,424	5,079	27,345
Total expenditures	<u>17,424</u>	<u>32,424</u>	<u>5,079</u>	<u>27,345</u>
Excess of revenues over (under) expenditures	(17,424)	(12,424)	8,951	21,375
Other financing sources (uses):				
Transfers In	<u>-</u>	<u>-</u>	<u>10,711</u>	<u>10,711</u>
Net change in fund balance	(17,424)	(12,424)	19,662	32,086
Fund balance at beginning of year	16,432	16,432	16,432	-
Prior year encumbrances appropriated	<u>992</u>	<u>992</u>	<u>992</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 37,086</u>	<u>\$ 32,086</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Drug Law Enforcement Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 442	\$ 442
Total revenues	<u>-</u>	<u>-</u>	<u>442</u>	<u>442</u>
Expenditures:				
Capital outlay	<u>17</u>	<u>17</u>	<u>-</u>	<u>17</u>
Net change in fund balance	(17)	(17)	442	459
Fund balance at beginning of year	<u>17</u>	<u>17</u>	<u>17</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 459</u></u>	<u><u>\$ 459</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

DUI Enforcement Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 2,045	\$ 2,045
Total revenues	<u>-</u>	<u>-</u>	<u>2,045</u>	<u>2,045</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	2,835	2,835	2,468	367
Total expenditures	<u>2,835</u>	<u>2,835</u>	<u>2,468</u>	<u>367</u>
Net change in fund balance	(2,835)	(2,835)	(423)	2,412
Fund balance at beginning of year	<u>2,835</u>	<u>2,835</u>	<u>2,835</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,412</u></u>	<u><u>\$ 2,412</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Bullet Proof Vest Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 953	\$ 953
Total revenues	<u>-</u>	<u>-</u>	<u>953</u>	<u>953</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	953	953
Fund balance at beginning of year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 954</u></u>	<u><u>\$ 953</u></u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

#### Housing Program Fund

#### For The Year Ended December 31, 2011

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 173</u>
Total revenues	<u>-</u>	<u>-</u>	<u>173</u>	<u>173</u>
Net change in fund balance	-	-	173	173
Fund balance at beginning of year	<u>32,803</u>	<u>32,803</u>	<u>32,803</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 32,803</u></u>	<u><u>\$ 32,803</u></u>	<u><u>\$ 32,976</u></u>	<u><u>\$ 173</u></u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

#### General Obligation Bond Retirement Fund

#### For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 200,000	\$ 200,000	\$ 201,758	\$ 1,758
Intergovernmental	20,000	20,000	28,518	8,518
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>230,276</u>	<u>10,276</u>
Expenditures:				
Debt service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	65,000	65,000	59,333	5,667
Contractual services	19,500	19,500	5,865	13,635
Total expenditures	<u>304,500</u>	<u>304,500</u>	<u>285,198</u>	<u>19,302</u>
Excess of revenues under expenditures	(84,500)	(84,500)	(54,922)	29,578
Other financing sources:				
Transfer In	-	-	75,000	75,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Net change in fund balance	(84,500)	(84,500)	20,078	104,578
Fund balance at beginning of year	<u>408,420</u>	<u>408,420</u>	<u>408,420</u>	<u>-</u>
Fund balance at end of year	<u>\$ 323,920</u>	<u>\$ 323,920</u>	<u>\$ 428,498</u>	<u>\$ 104,578</u>



**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Fire Apparatus Levy Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax	\$ 235,000	\$ 235,000	\$ 244,512	\$ 9,512
Intergovernmental	25,000	25,000	35,254	10,254
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>279,766</u>	<u>19,766</u>
Expenditures:				
Security of persons and property				
Contractual services	15,000	15,000	3,786	11,214
Materials and supplies	100,301	100,301	52,804	47,497
Capital outlay	202,161	352,161	302,997	49,164
Total expenditures	<u>317,462</u>	<u>467,462</u>	<u>359,587</u>	<u>107,875</u>
Excess of revenues over (under) expenditures	(57,462)	(207,462)	(79,821)	127,641
Other financing uses:				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	-	4,000
Net change in fund balance	(61,462)	(211,462)	(79,821)	131,641
Fund balance at beginning of year	478,655	478,655	478,655	-
Prior year encumbrances appropriated	<u>2,462</u>	<u>2,462</u>	<u>2,462</u>	-
Fund balance at end of year	<u><u>\$ 419,655</u></u>	<u><u>\$ 269,655</u></u>	<u><u>\$ 401,296</u></u>	<u><u>\$ 131,641</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

CDBG Improvements Fund

**For The Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	\$ -	\$ -		\$ -
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>1,385</u>	<u>1,385</u>	<u>1,385</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,385</u></u>	<u><u>\$ 1,385</u></u>	<u><u>\$ 1,385</u></u>	<u><u>\$ -</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Permanent Improvement Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Capital outlay	\$ 2,940	\$ 2,940	\$ -	\$ 2,940
Total expenditures	<u>2,940</u>	<u>2,940</u>	<u>-</u>	<u>2,940</u>
Excess of revenues over (under) expenditures	(2,940)	(2,940)	-	2,940
Other financing sources (uses):				
Transfers in	<u>1,470</u>	<u>1,470</u>	<u>-</u>	<u>(1,470)</u>
Total other financing sources (uses)	1,470	1,470	-	(1,470)
Net change in fund balance	(1,470)	(1,470)	-	1,470
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>1,470</u>	<u>1,470</u>	<u>1,470</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,470</u></u>	<u><u>\$ 1,470</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

City Hall Auditorium Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$ 1,069	\$ 69
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,069</u>	<u>69</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	47,744	47,744	47,744	-
Capital outlay	120,000	120,000	-	120,000
Total expenditures	<u>167,744</u>	<u>167,744</u>	<u>47,744</u>	<u>120,000</u>
Net change in fund balance	(166,744)	(166,744)	(46,675)	120,069
Fund balance at beginning of year	153,652	153,652	153,652	-
Prior year encumbrances appropriated	<u>47,744</u>	<u>47,744</u>	<u>47,744</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,652</u>	<u>\$ 34,652</u>	<u>\$ 154,721</u>	<u>\$ 120,069</u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Health Insurance Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ 850,000	\$ 850,000	\$ 960,092	\$ 110,092
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>960,092</u>	<u>110,092</u>
Expenditures:				
Claims	670,000	670,000	602,116	67,884
Contractual services	335,000	335,000	335,000	-
Total expenditures	<u>1,005,000</u>	<u>1,005,000</u>	<u>937,116</u>	<u>67,884</u>
Net change in fund balance	(155,000)	(155,000)	22,976	177,976
Fund balance at beginning of year	<u>312,014</u>	<u>312,014</u>	<u>312,014</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 157,014</u></u>	<u><u>\$ 157,014</u></u>	<u><u>\$ 334,990</u></u>	<u><u>\$ 177,976</u></u>

**City of Amherst, Ohio**

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Basis) and Actual

Cemetery Trust Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 21	\$ 21
Total revenues	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Expenditures:				
Capital outlay	150	150	-	150
Total expenditures	<u>150</u>	<u>150</u>	<u>-</u>	<u>150</u>
Net change in fund balance	(150)	(150)	21	171
Fund balance at beginning of year	<u>4,220</u>	<u>4,220</u>	<u>4,220</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 4,070</u></u>	<u><u>\$ 4,070</u></u>	<u><u>\$ 4,241</u></u>	<u><u>\$ 171</u></u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

#### Municipal Income Tax Fund

#### For The Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 1,975,000	\$ 1,975,000	\$ 2,115,753	\$ 140,753
Total revenues	<u>1,975,000</u>	<u>1,975,000</u>	<u>2,115,753</u>	<u>140,753</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Salaries and wages	49,800	49,800	48,098	1,702
Fringe benefits	28,200	28,200	23,926	4,274
Materials and supplies	11,903	11,903	8,630	3,273
Contractual services	35,707	35,707	24,725	10,982
Total expenditures	<u>125,610</u>	<u>125,610</u>	<u>105,379</u>	<u>20,231</u>
Excess of revenues over expenditures	1,849,390	1,849,390	2,010,374	160,984
Other financing sources (uses):				
Transfer In	-	-	19,585	19,585
Transfer Out	(2,270,000)	(2,270,000)	(2,230,195)	39,805
Total other financing sources (uses)	<u>(2,270,000)</u>	<u>(2,270,000)</u>	<u>(2,210,610)</u>	<u>59,390</u>
Net change in fund balance	(420,610)	(420,610)	(200,236)	220,374
Fund balance at beginning of year	820,405	820,405	820,405	-
Prior year encumbrances appropriated	<u>10,610</u>	<u>10,610</u>	<u>10,610</u>	<u>-</u>
Fund balance at end of year	<u>\$ 410,405</u>	<u>\$ 410,405</u>	<u>\$ 630,779</u>	<u>\$ 220,374</u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual

Downtown Director Fund

**For The Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 10,000	\$ 51,800	\$ 8,530	\$ (43,270)
Total revenues	<u>10,000</u>	<u>51,800</u>	<u>8,530</u>	<u>(43,270)</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Contractual services	11,200	38,000	32,882	5,118
Total expenditures	<u>11,200</u>	<u>38,000</u>	<u>32,882</u>	<u>5,118</u>
Excess of revenues over (under) expenditures	(1,200)	13,800	(24,352)	(38,152)
Other financing sources:				
Transfer In	10,000	51,800	23,573	(28,227)
Total other financing sources	<u>10,000</u>	<u>51,800</u>	<u>23,573</u>	<u>(28,227)</u>
Net change in fund balance	8,800	65,600	(779)	(66,379)
Fund balance at beginning of year	<u>2,627</u>	<u>2,627</u>	<u>2,627</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 11,427</u></u>	<u><u>\$ 68,227</u></u>	<u><u>\$ 1,848</u></u>	<u><u>\$ (66,379)</u></u>



## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

## STATISTICAL TABLES

This part of the City of Amherst's comprehensive annual financial report presents detailed information as a basis for understanding what the information in the financial statements, notes disclosures, and combining statements and individual fund schedules says about the City's overall financial health.

<b>CONTENTS</b>	<b>PAGES</b>
Financial Trends	11: to 12;
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	152 to 137
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	138'to 163
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	144 to 146
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	148 to 172
These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 during fiscal year 2002. Fiscal year 2006 is the City's first year implementation of the GASB 44 stat tables.

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**City of Amherst, Ohio**

## Net Assets By Component

Last Ten Years

(Accrual Basis of Accounting)

	2011	2010	2009*	2008
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 21,005,542	\$ 19,761,957	\$ 19,316,081	\$ 19,354,437
Restricted:				
Capital Projects	4,892,597	5,203,193	5,873,519	5,203,532
Debt Service	428,456	409,208	354,470	421,947
Other Purposes	2,434,810	1,637,405	1,333,201	1,536,088
Unrestricted	2,751,516	4,434,550	4,579,981	4,644,254
<i>Total Governmental Activities Net Assets</i>	<u>\$ 31,512,921</u>	<u>\$ 31,446,313</u>	<u>\$ 31,457,252</u>	<u>\$ 31,160,258</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 12,986,065	\$ 12,497,793	\$ 12,155,820	\$ 12,167,851
Unrestricted	13,018,446	12,643,263	11,955,503	11,112,278
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 26,004,511</u>	<u>\$ 25,141,056</u>	<u>\$ 24,111,323</u>	<u>\$ 23,280,129</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	\$ 33,991,607	\$ 32,259,750	\$ 31,471,901	\$ 31,522,288
Restricted	7,755,863	7,249,806	7,561,190	7,161,567
Unrestricted	15,769,962	17,077,813	16,535,484	15,756,532
<i>Total Primary Government Net Assets</i>	<u>\$ 57,517,432</u>	<u>\$ 56,587,369</u>	<u>\$ 55,568,575</u>	<u>\$ 54,440,387</u>

Note: 2002 was the first year the City reported under the GASB 34 reporting model. Data prior to 2002 is not presented.

2005 figures were adjusted to reflect prior period adjustment as discussed in Note 18 of the 2006 CAFR.

2007 figures were adjusted to reflect prior period adjustment as discussed in Note 18 of the 2008 CAFR.

\* - As Restated

Source: Respective comprehensive annual financial reports.

2007	2006	2005	2004	2003	2002
\$ 19,251,994	\$ 15,915,559	\$ 15,848,347	\$ 14,262,957	\$ 13,079,697	\$ 10,927,382
4,494,099	6,350,070	5,775,685	5,635,261	6,029,078	6,830,887
471,690	522,199	389,713	257,053	395,556	548,358
1,434,301	1,777,456	1,623,160	969,055	1,072,223	3,293,617
5,156,522	4,755,621	4,934,364	5,649,251	5,907,166	3,654,304
<u>\$ 30,808,606</u>	<u>\$ 29,320,905</u>	<u>\$ 28,571,269</u>	<u>\$ 26,773,577</u>	<u>\$ 26,483,720</u>	<u>\$ 25,254,548</u>
\$ 11,872,604	\$ 10,882,276	\$ 10,666,565	\$ 10,247,197	\$ 10,383,641	\$ 9,759,573
10,743,642	10,466,825	8,800,987	10,225,310	8,078,131	7,921,636
<u>\$ 22,616,246</u>	<u>\$ 21,349,101</u>	<u>\$ 19,467,552</u>	<u>\$ 20,472,507</u>	<u>\$ 18,461,772</u>	<u>\$ 17,681,209</u>
\$ 31,124,598	\$ 26,797,835	\$ 26,514,912	\$ 24,510,154	\$ 23,463,338	\$ 20,686,955
6,400,090	8,649,725	7,788,558	6,861,369	7,496,857	10,672,862
15,900,164	15,222,446	13,735,351	15,874,561	13,985,297	11,575,940
<u>\$ 53,424,852</u>	<u>\$ 50,670,006</u>	<u>\$ 48,038,821</u>	<u>\$ 47,246,084</u>	<u>\$ 44,945,492</u>	<u>\$ 42,935,757</u>

**City of Amherst, Ohio**  
Changes in Net Assets  
Last Ten Years  
(Accrual Basis of Accounting)

	2011	2010	2009	2008
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
General Government	\$ 75,132	\$ 63,034	\$ 62,892	\$ 76,508
Security of Persons and Property	232,392	268,332	288,073	281,661
Public Health and Welfare	32,117	22,630	34,527	15,955
Leisure Time Activities	46,043	28,876	45,930	17,123
Community Development	6,069	9,454	9,737	18,393
Transportation	237,537	143,830	127,134	93,848
Central Services	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Subtotal - Charges for Services	<u>629,290</u>	<u>536,156</u>	<u>568,293</u>	<u>503,488</u>
Operating Grants and Contributions:				
General Government	45,692	43,355	43,875	143,826
Security of Persons and Property	3,121	10,348	7,586	30,035
Public Health and Welfare	50,963	71,669	117,915	80,160
Leisure Time Activities	80,713	108,149	175,749	117,812
Community Development	-	9,306	5,519	26,101
Transportation	416,398	538,701	486,474	645,691
Interest and Fiscal Charges	-	-	-	-
Subtotal - Operating Grants and Contributions	<u>596,887</u>	<u>781,528</u>	<u>837,118</u>	<u>1,043,625</u>
Capital Grants and Contributions:				
General Government	-	-	-	44,925
Security of Persons and Property	61,140	4,316	4,712	3,850
Transportation	265,455	12,590	143,606	64,082
Community Development	5,422	-	1,498	26,112
Leisure Time Activities	-	-	-	-
Interest and Fiscal Charges	-	-	40,441	26,461
Subtotal - Capital Grants and Contributions	<u>332,017</u>	<u>16,906</u>	<u>190,257</u>	<u>165,430</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,558,194</u>	<u>1,334,590</u>	<u>1,595,668</u>	<u>1,712,543</u>
<b>Business-Type Activities:</b>				
Charges for Services:				
Water	2,324,385	2,752,551	2,037,348	1,650,348
Sewer	2,443,723	2,399,136	2,411,085	2,348,826
Electric	10,274,294	10,029,935	9,403,081	8,596,600
Capital Grants and Contributions				
Water	-	-	-	-
Sewer	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>15,042,402</u>	<u>15,181,622</u>	<u>13,851,514</u>	<u>12,595,774</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 16,600,596</u>	<u>\$ 16,516,212</u>	<u>\$ 15,447,182</u>	<u>\$ 14,308,317</u>

	2007	2006	2005	2004	2003	2002
\$	111,451	\$ 98,555	\$ 89,819	\$ 1,094,527	\$ 1,031,672	\$ 164,642
	362,923	388,358	372,818	2,081	2,983	215,947
	19,112	19,215	23,252	36,241	41,943	80,989
	23,218	14,587	20,760	62,336	62,154	112,505
	34,679	27,440	6,795	-	-	15,780
	110,840	70,446	147,808	-	-	-
	-	-	3,478	-	-	-
	-	848	207	-	-	-
	<u>662,223</u>	<u>619,449</u>	<u>664,937</u>	<u>1,195,185</u>	<u>1,138,752</u>	<u>589,863</u>
	83,717	38,841	47,489	250,812	332,569	536,525
	14,292	27,547	73,668	124,286	62,404	578,397
	79,102	99,196	130,734	20,100	14,755	46,543
	119,663	124,377	152,147	37,931	168,472	64,362
	164,210	205,928	61,677	49,360	134,291	278,495
	571,252	600,652	918,110	506,583	435,207	490,469
	-	7,235	25,533	-	-	-
	<u>1,032,236</u>	<u>1,103,776</u>	<u>1,409,358</u>	<u>989,072</u>	<u>1,147,698</u>	<u>1,994,791</u>
	21,710	16,037	6,575	4,386	137,000	6,107
	2,054	-	15,271	31,167	31,604	-
	401,678	211,617	238,589	206,898	27,784	991,436
	-	-	-	-	-	-
	-	-	-	-	28,075	-
	59,565	40,588	-	-	-	-
	<u>485,007</u>	<u>268,242</u>	<u>260,435</u>	<u>242,451</u>	<u>224,463</u>	<u>997,543</u>
	<u>2,179,466</u>	<u>1,991,467</u>	<u>2,334,730</u>	<u>2,426,708</u>	<u>2,510,913</u>	<u>3,582,197</u>
	1,813,057	1,892,333	1,899,419	2,039,892	1,833,888	2,025,507
	2,369,498	2,321,797	2,361,056	2,392,084	2,632,408	2,423,426
	8,579,430	8,400,806	7,366,094	6,535,752	6,185,959	6,359,999
	-	-	-	-	-	-
	-	-	1,142,046	-	-	-
	<u>12,761,985</u>	<u>12,614,936</u>	<u>12,768,615</u>	<u>10,967,728</u>	<u>10,652,255</u>	<u>10,808,932</u>
\$	<u>14,941,451</u>	<u>\$ 14,606,403</u>	<u>\$ 15,103,345</u>	<u>\$ 13,394,436</u>	<u>\$ 13,163,168</u>	<u>\$ 14,391,129</u>

(continued)

**City of Amherst, Ohio**  
Changes in Net Assets (continued)  
Last Ten Years  
(Accrual Basis of Accounting)

	2011	2010	2009	2008
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 1,253,538	\$ 1,167,524	\$ 1,090,030	\$ 1,300,320
Security of Persons and Property	3,630,708	3,685,288	3,561,357	3,823,222
Public Health and Welfare	182,119	181,171	187,020	207,226
Leisure Time Activities	208,193	192,890	200,489	207,024
Community Development	120,958	136,730	141,987	320,262
Transportation	2,158,982	2,153,207	3,087,723	2,540,437
Interest and Fiscal Charges	156,333	143,550	132,198	148,957
Central Services	-	-	-	-
<i>Total Governmental Activities Expenses</i>	<u>7,710,831</u>	<u>7,660,360</u>	<u>8,400,804</u>	<u>8,547,448</u>
Business-Type Activities				
Water	2,455,719	2,535,722	2,097,816	1,939,971
Sewer	2,211,743	2,455,905	2,312,429	2,441,503
Electric	9,533,399	9,252,218	9,178,966	8,181,764
<i>Total Business-Type Activities Expenses</i>	<u>14,200,861</u>	<u>14,243,845</u>	<u>13,589,211</u>	<u>12,563,238</u>
<i>Total Primary Government Program Expenses</i>	<u>21,911,692</u>	<u>21,904,205</u>	<u>21,990,015</u>	<u>21,110,686</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(6,152,637)	(6,325,770)	(6,805,136)	(6,834,905)
Business-Type Activities	841,541	937,777	262,303	32,536
<i>Total Primary Government Net Expense</i>	<u>(5,311,096)</u>	<u>(5,387,993)</u>	<u>(6,542,833)</u>	<u>(6,802,369)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property Taxes levied For:				
General Purposes	\$ 895,499	\$ 936,250	\$ 911,564	\$ 1,034,659
Debt Service	201,799	208,017	195,679	208,835
Capital Projects	244,633	256,654	243,117	242,991
Income Tax levied for:				
General Purposes	3,055,377	2,968,455	2,195,005	2,234,822
Capital Projects	975,915	961,087	2,120,497	2,149,227
Grants and Entitlements not Restricted to				
Specific Programs	670,001	694,228	661,857	677,972
Investment Earnings	89,343	78,161	408,926	473,110
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous Income	82,382	192,457	160,425	157,201
Unrestricted contributions	4,296	19,522	5,060	7,740
Transfers	-	-	-	-
<i>Total Governmental Activities</i>	<u>6,219,245</u>	<u>6,314,831</u>	<u>6,902,130</u>	<u>7,186,557</u>
Business-Type Activities				
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	21,914	91,956	568,891	631,347
Transfers	-	-	-	-
<i>Total Business-Type Activities Revenues</i>	<u>21,914</u>	<u>91,956</u>	<u>568,891</u>	<u>631,347</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>6,241,159</u>	<u>6,406,787</u>	<u>7,471,021</u>	<u>7,817,904</u>
Extraordinary Item				
Settlement	-	-	-	-
<b>Change in Net Assets</b>				
Governmental Activities	66,608	(10,939)	96,994	351,652
Business-Type Activities	863,455	1,029,733	831,194	663,883
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 930,063</u>	<u>\$ 1,018,794</u>	<u>\$ 928,188</u>	<u>\$ 1,015,535</u>

Source: Respective comprehensive annual financial reports.

Note: 2005 figures were adjusted to reflect prior period adjustment as discussed in Note 18 of the 2006 CAFR.



	2007	2006	2005	2004	2003	2002
\$	1,378,161	\$ 1,171,650	\$ 951,096	\$ 2,317,483	\$ 1,624,209	\$ 1,439,619
	3,927,587	3,586,487	3,785,329	2,855,859	3,026,629	2,814,476
	176,382	213,065	205,063	209,452	269,524	219,656
	209,609	247,131	185,408	186,117	324,696	171,378
	297,871	598,737	52,768	317,254	348,226	423,510
	2,206,794	2,382,629	1,984,088	2,351,243	1,632,491	1,248,114
	205,519	226,277	119,966	128,868	151,803	127,272
	-	-	34,371	-	-	-
	<u>8,401,923</u>	<u>8,425,976</u>	<u>7,318,089</u>	<u>8,366,276</u>	<u>7,377,578</u>	<u>6,444,025</u>
	1,795,754	1,652,501	1,791,620	1,862,909	1,874,892	1,787,152
	2,047,447	2,090,383	3,998,887	2,038,345	2,084,577	1,471,176
	8,075,124	7,443,978	8,520,416	5,900,552	6,027,435	5,218,086
	<u>11,918,325</u>	<u>11,186,862</u>	<u>14,310,923</u>	<u>9,801,806</u>	<u>9,986,904</u>	<u>8,476,414</u>
	20,320,248	19,612,838	21,629,012	18,168,082	17,364,482	14,920,439
	(6,222,457)	(6,434,509)	(4,983,359)	(5,939,568)	(4,866,665)	(2,861,828)
	843,660	1,428,074	(1,542,308)	1,165,922	665,351	2,332,518
	<u>(5,378,797)</u>	<u>(5,006,435)</u>	<u>(6,525,667)</u>	<u>(4,773,646)</u>	<u>(4,201,314)</u>	<u>(529,310)</u>
\$	1,018,775	\$ 919,975	\$ 929,197	\$ 766,973	\$ 570,753	\$ 723,164
	216,707	197,338	204,812	189,916	188,109	263,193
	260,139	239,346	253,611	235,348	235,400	187,987
	2,090,331	2,095,647	1,995,695	1,914,477	2,048,667	1,895,017
	2,106,634	2,050,926	1,974,016	1,939,801	1,817,627	1,833,830
	557,878	461,827	389,082	673,754	491,904	142,972
	1,177,999	968,739	518,177	301,412	286,316	330,833
	-	3,778	10,798	3,275	-	-
	201,572	233,576	148,285	206,882	164,061	81,084
	31,967	12,993	-	-	-	-
	-	-	-	(2,415)	293,000	-
	<u>7,662,002</u>	<u>7,184,145</u>	<u>6,423,673</u>	<u>6,229,423</u>	<u>6,095,837</u>	<u>5,458,080</u>
	-	3,675	-	3,825	-	-
	423,485	449,800	138,743	-	11,820	13,001
	-	-	-	2,415	(293,000)	-
	<u>423,485</u>	<u>453,475</u>	<u>138,743</u>	<u>6,240</u>	<u>(281,180)</u>	<u>13,001</u>
	<u>8,085,487</u>	<u>7,637,620</u>	<u>6,562,416</u>	<u>6,235,663</u>	<u>5,814,657</u>	<u>5,471,081</u>
	-	-	357,378	-	-	-
	1,439,545	749,636	1,797,692	289,855	1,229,172	2,596,252
	1,267,145	1,881,549	(1,403,565)	1,172,162	384,171	2,345,519
\$	<u>2,706,690</u>	<u>2,631,185</u>	<u>394,127</u>	<u>1,462,017</u>	<u>1,613,343</u>	<u>4,941,771</u>

**City of Amherst, Ohio**  
Fund Balances, Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2011**	2010	2009*	2008	2007 (2)
<b>General Fund</b>					
Reserved	\$ -	\$ 74,392	\$ 100,864	\$ 48,845	\$ 8,769
Unreserved	-	2,188,112	2,181,534	2,174,136	2,241,834
Nonspendable	153,001	-	-	-	-
Assigned	74,755	-	-	-	-
Unassigned	2,096,842	-	-	-	-
<b>Total General Fund</b>	<b>2,324,598</b>	<b>2,262,504</b>	<b>2,282,398</b>	<b>2,222,981</b>	<b>2,250,603</b>
<b>All Other Governmental Funds</b>					
Reserved	-	707,709	502,906	1,075,155	964,527
Unreserved, Undesignated, Reported in:					
Special Revenue funds	-	2,238,470	1,927,504	2,127,236	1,978,602
Debt Service funds	-	408,420	354,585	416,397	460,206
Capital Projects funds	-	5,109,556	5,955,187	4,887,101	3,975,081
Nonspendable	73,462	-	-	-	-
Restricted	7,547,819	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>7,621,281</b>	<b>8,464,155</b>	<b>8,740,182</b>	<b>8,505,889</b>	<b>7,378,416</b>
<b>Total Governmental Funds</b>	<b>\$ 9,945,879</b>	<b>\$ 10,726,659</b>	<b>\$ 11,022,580</b>	<b>\$ 10,728,870</b>	<b>\$ 9,629,019</b>

(1) Note: The City reclassified the Street Improvement Income Tax Fund from a special revenue fund to a capital projects fund in 2000.

(2) Note: The City issued debt during 2006. The proceeds from this debt was expended in 2007, which resulted in the significant decrease in fund balance.

\* - As Restated

\*\* - Change in Accounting Principles

Source: Respective comprehensive annual financial reports.

2006 (2)	2005	2004	2003	2002
\$ 67,437	\$ 208,569	\$ 140,579	\$ 152,678	\$ 82,608
1,894,564	1,811,261	2,789,773	2,997,622	2,398,227
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,962,001	2,019,830	2,930,352	3,150,300	2,480,835
3,276,378	2,666,422	2,519,378	1,894,535	1,596,825
1,890,894	1,951,422	1,846,055	2,230,212	2,981,454
511,445	375,077	257,053	395,556	541,686
3,942,992	3,823,153	3,390,990	4,175,093	5,030,843
-	-	-	-	-
-	-	-	-	-
9,621,709	8,816,074	8,013,476	8,695,396	10,150,808
<u>\$ 11,583,710</u>	<u>\$ 10,835,904</u>	<u>\$ 10,943,828</u>	<u>\$ 11,845,696</u>	<u>\$ 12,631,643</u>

**City of Amherst, Ohio**  
Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008
<b>Revenues</b>				
Property Taxes	\$ 1,341,406	\$ 1,395,354	\$ 1,367,188	\$ 1,488,284
Municipal Income Taxes	4,241,385	4,032,726	4,141,089	5,063,361
Charges for Services	274,819	306,221	330,960	250,524
Fees, Licenses and Permits	298,857	156,399	159,688	178,742
Fines and Forfeitures	55,614	73,536	77,645	74,222
Intergovernmental	1,633,485	1,490,940	1,762,852	1,916,492
Investment Earnings	89,343	78,161	408,926	473,110
Contributions and Donations (1)	10,331	19,522	5,060	18,109
Miscellaneous	82,382	192,457	160,425	157,201
<i>Total Revenues</i>	<u>8,027,622</u>	<u>7,745,316</u>	<u>8,413,833</u>	<u>9,620,045</u>
<b>Expenditures</b>				
Current:				
General Government	1,064,572	965,526	888,393	1,219,811
Security of Persons and Property	3,337,281	3,356,393	3,320,246	3,472,606
Public Health and Welfare	169,824	177,478	183,327	200,768
Leisure Time Activities	189,708	175,803	183,402	189,928
Central Services	-	-	-	-
Community Development	120,958	136,730	141,987	320,262
Transportation	1,117,085	1,099,304	951,551	1,291,509
Capital Outlay	2,367,753	1,707,790	2,270,411	1,538,156
Debt Service:				
Principal Retirement	315,308	305,308	293,739	295,009
Interest and Fiscal Charges	125,913	116,905	125,687	120,881
<i>Total Expenditures</i>	<u>8,808,402</u>	<u>8,041,237</u>	<u>8,358,743</u>	<u>8,648,930</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(780,780)</u>	<u>(295,921)</u>	<u>55,090</u>	<u>971,115</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Issuance of OPWC Loans	-	-	38,620	128,736
Issuance of Notes and Loans	-	-	-	-
Inception of Capital Lease	-	-	-	-
Transfers In	575,711	773,461	376,113	585,000
Transfers Out	(575,711)	(773,461)	(376,113)	(585,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>38,620</u>	<u>128,736</u>
Extraordinary Item:				
Proceeds from Settlement	-	-	-	-
<i>Net Change in Fund Balances</i>	<u>\$ (780,780)</u>	<u>\$ (295,921)</u>	<u>\$ 93,710</u>	<u>\$ 1,099,851</u>
Debt Service as a Percentage of Noncapital Expenditures	6.7%	6.3%	5.9%	5.6%

(1) - Fiscal year 2008 was the first year that this revenue category was reported.  
Source: Respective comprehensive annual financial reports.

	2007	2006	2005	2004	2003	2002
\$	1,491,533	\$ 1,407,505	\$ 1,337,465	\$ 1,188,100	\$ 991,775	\$ 1,167,758
	4,178,297	4,032,808	3,865,734	3,927,202	3,788,947	3,725,200
	261,002	221,794	285,148	290,796	314,972	350,321
	315,906	291,711	315,432	366,938	420,083	217,192
	85,315	105,945	64,356	-	-	-
	2,091,267	1,772,141	2,090,892	1,800,248	1,725,403	2,401,816
	1,177,999	968,739	518,177	301,412	286,316	330,833
	-	-	-	-	-	-
	223,314	259,677	198,285	166,475	327,696	151,675
	<u>9,824,633</u>	<u>9,060,320</u>	<u>8,675,489</u>	<u>8,041,171</u>	<u>7,855,192</u>	<u>8,344,795</u>
	1,290,348	1,092,691	904,361	1,665,590	1,181,052	1,342,248
	3,345,253	3,053,176	3,241,446	2,766,068	2,662,351	2,509,091
	172,268	208,951	205,856	207,574	266,206	212,335
	192,805	159,941	168,781	172,837	193,476	153,245
	-	-	35,902	-	-	-
	297,871	300,383	66,356	318,764	344,776	414,298
	1,210,649	1,190,978	1,329,361	1,661,249	1,029,501	791,440
	5,043,769	3,570,263	2,871,096	1,891,182	3,346,438	1,518,687
	270,098	247,559	233,335	206,925	133,000	156,440
	133,817	176,474	95,095	98,505	151,275	162,548
	<u>11,956,878</u>	<u>10,000,416</u>	<u>9,151,589</u>	<u>8,988,694</u>	<u>9,308,075</u>	<u>7,260,332</u>
	<u>(2,132,245)</u>	<u>(940,096)</u>	<u>(476,100)</u>	<u>(947,523)</u>	<u>(1,452,883)</u>	<u>1,084,463</u>
	14,554	23,772	10,798	48,068	440	-
	-	1,475,000	-	-	373,496	-
	163,000	-	-	-	-	-
	-	189,130	-	-	-	-
	-	-	-	-	-	12,870
	1,305,286	1,081,722	1,764,432	674,446	826,688	1,955,570
	<u>(1,305,286)</u>	<u>(1,081,722)</u>	<u>(1,764,432)</u>	<u>(676,861)</u>	<u>(533,688)</u>	<u>(1,955,570)</u>
	<u>177,554</u>	<u>1,687,902</u>	<u>10,798</u>	<u>45,653</u>	<u>666,936</u>	<u>12,870</u>
	-	-	357,378	-	-	-
\$	<u>(1,954,691)</u>	<u>\$ 747,806</u>	<u>\$ (107,924)</u>	<u>\$ (901,870)</u>	<u>\$ (785,947)</u>	<u>\$ 1,097,333</u>
	5.8%	6.6%	5.2%	4.3%	4.8%	5.6%

**City of Amherst, Ohio**  
Enterprise Funds Summary Data  
Last Ten Years

	2002	2003	2004	2005
<b>Water Fund</b>				
Assets	\$ 4,885,148	\$ 4,872,614	\$ 5,146,826	\$ 5,186,627
Net Assets	3,711,065	3,671,808	4,020,493	4,141,038
Operating Revenue	2,027,579	1,835,635	2,039,892	1,912,165
Operating Expense	1,746,243	1,831,531	1,821,311	1,749,994
Operating Income (Loss)	281,336	4,104	218,581	162,171
Nonoperating:				
Interest Expense	(40,909)	(43,361)	(41,598)	(41,626)
Other, net	-	-	1,225	-
Transfers In	-	-	805	-
Transfers Out	-	-	-	-
Changes in Net Assets/Net Income	240,427	(39,257)	179,013	120,545
Number of Employees	5	4	4	5
Pumpage (millions of gallons):				
Average Day	1.74	1.70	1.48	1.64
Total Year's Pumpage	635	621	540	598
<b>Sewer Fund</b>				
Assets	\$ 11,088,161	\$ 19,059,392	\$ 22,400,095	\$ 20,504,463
Net Assets	8,774,425	9,757,638	10,264,876	10,190,224
Operating Revenue	2,426,919	2,635,370	2,392,084	2,383,579
Operating Expense	1,369,687	1,962,480	1,926,144	2,798,330
Operating Income (Loss)	1,057,232	672,890	465,940	(414,751)
Nonoperating:				
Interest Expense	(101,489)	(99,449)	(112,201)	(395,845)
Loss on Sale of Capital Asset	-	-	-	(804,712)
Other, net	-	(22,648)	-	-
Transfers In	-	-	805	-
Transfers Out	-	(293,000)	-	-
Capital Contributions	-	-	-	1,142,046
Changes in Net Assets/Net Income	955,743	257,793	354,544	(473,262)
Number of Employees	8	9	9	9
Treatment Data (millions of gallons per day)				
Minimum Day	0.92	1.32	1.13	1.57
Maximum Day	6.34	6.70	10.30	9.71
Average Day	1.95	2.32	2.45	3.01
Maximum Capacity				
Design	2.25	2.25	3.50	3.50
Hydraulic	0.00	0.00	7.50	7.50
<b>Electric Fund</b>				
Assets	\$ 9,407,247	\$ 9,363,499	\$ 9,968,720	\$ 8,672,522
Net Assets	5,195,719	5,032,326	20,472,507	5,136,290
Operating Revenue	6,367,435	6,193,070	6,535,752	7,469,568
Operating Expense	4,960,798	5,791,470	5,783,685	8,171,429
Operating Income (Loss)	1,406,637	401,600	752,067	(701,861)
Nonoperating:				
Interest Expense	(144,558)	(138,265)	(116,867)	(163,681)
Equity in Income of Joint Venture	-	-	-	-
Loss on Investment in Joint Venture	(112,730)	(97,700)	-	(185,306)
Other, net	-	-	2,600	-
Transfers In	-	-	805	-
Transfers Out	-	-	-	-
Changes in Net Assets/Net Income	1,149,349	165,635	638,605	(1,050,848)
Number of Employees	6	5	7	8

Source: Respective comprehensive annual financial reports.

Note: 2005 figures were adjusted to reflect prior period adjustment as discussed in Note 18 of the 2006 CAFR.

	2006	2007	2008	2009	2010	2011
\$	6,210,032	\$ 6,157,186	\$ 6,011,981	\$ 5,996,590	\$ 6,058,097	\$ 5,843,029
	4,447,762	4,522,029	4,308,114	4,316,123	4,562,569	4,435,095
	1,959,225	1,870,021	1,726,057	2,105,825	2,782,168	2,328,245
	1,569,000	1,726,553	1,873,986	2,043,406	2,479,134	2,402,743
	390,225	143,468	(147,929)	62,419	303,034	(74,498)
	(83,501)	(69,201)	(65,986)	(54,410)	(56,588)	(52,976)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	306,724	74,267	(213,915)	8,009	246,446	(127,474)
	5	5	5	5	5	5
	1.52	1.52	1.55	1.52	1.56	1.64
	555	553	568	553	570	600
\$	20,110,331	\$ 20,017,195	\$ 19,548,491	\$ 19,227,423	\$ 18,837,660	\$ 18,289,891
	10,493,031	10,921,574	10,955,191	11,243,798	11,189,196	11,424,853
	2,393,190	2,475,990	2,475,120	2,601,036	2,401,303	2,447,400
	1,775,374	1,707,569	2,118,306	2,013,053	2,170,078	1,945,078
	617,816	768,421	356,814	587,983	231,225	502,322
	(315,009)	(339,878)	(323,197)	(299,376)	(285,827)	(266,665)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	302,807	428,543	33,617	288,607	(54,602)	235,657
	9	9	10	10	10	10
	1.53	0.97	1.10	0.10	1.15	1.43
	11.77	10.30	13.09	9.15	7.25	12.34
	2.62	2.31	2.43	2.13	2.05	2.86
	3.50	3.50	3.50	3.50	3.50	3.50
	7.50	7.00	7.00	7.00	7.00	7.00
\$	9,547,975	\$ 10,291,201	\$ 10,629,476	\$ 10,817,740	\$ 11,366,856	\$ 11,772,776
	6,408,308	7,172,643	8,016,824	8,551,402	9,389,291	10,144,563
	8,712,321	8,839,459	9,117,230	9,804,010	10,183,315	10,392,271
	7,235,603	7,852,752	8,068,826	9,102,077	9,169,871	9,474,168
	1,476,718	986,707	1,048,404	701,933	1,013,444	918,103
	(115,618)	(127,447)	(112,938)	(76,889)	(82,347)	(59,231)
	(92,757)	(94,925)	(91,285)	(90,466)	(93,208)	(103,600)
	3,675	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,272,018	764,335	844,181	534,578	837,889	755,272
	8	8	7	7	7	7

**City of Amherst, Ohio**

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property (3)	
	Assessed Value		Estimated Actual Value(1)	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2011	\$ 259,507,720	\$ 57,697,850	\$ 906,301,629	\$ 1,632,060	\$ 1,854,614
2010	258,430,748	57,377,490	902,309,251	1,573,510	1,788,080
2009	270,457,068	56,294,330	933,575,423	1,668,650	1,896,193
2008	268,418,350	50,481,050	911,141,143	1,710,440	1,943,682
2007	263,675,390	46,231,420	885,448,029	3,191,860	3,627,114
2006	261,838,730	46,202,660	880,118,257	3,220,620	3,659,795
2005	242,938,520	40,662,610	810,288,943	3,363,860	3,822,568
2004(2)	235,317,860	39,370,670	762,489,429	3,748,390	4,259,534
2003	229,343,730	37,471,510	762,329,257	3,944,970	4,482,920
2002	206,629,190	35,536,210	691,901,143	3,780,300	4,295,795

Source: Lorain County Auditor

- (1) - This amount is calculated based on the following percentages:  
 Real property is assessed at thirty-five percent of actual value.  
 Public utility is assessed at eighty-eight percent of actual value.  
 Tangible personal property is assessed at twenty-five percent of the true value for capital assets and twenty-four percent of true value for inventory.
- (2) - Reflects triennial adjustment
- (3) - House Bill 66 (the State's biennial budget) has phased out of the Tangible Personal Property Tax (TPP). The listing percentage was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.
- (4) - The tangible personal property tax temporarily applies to telephone and inter-exchange telecommunications companies, which is being phased out to 10% for 2009, 5% for 2010, and zero for 2011.



Tangible Personal Property (3)

General Business			Total				
Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Rate	
\$ 35,610	4	\$ -	\$ 318,873,240	\$ 908,156,242	35.11%	5.70	
242,563	4	4,851,260	317,624,311	908,948,591	34.94	5.70	
243,688	3	3,899,008	328,663,736	939,370,624	34.99	5.70	
3,939,456	3	63,031,296	324,549,296	976,116,121	33.25	5.70	
7,998,290	3	63,986,320	321,096,960	953,061,462	33.69	5.70	
11,937,746	3	63,667,979	323,199,756	947,446,031	34.11	5.75	
10,265,265	3	41,061,060	297,230,255	855,172,571	34.76	5.75	
14,702,555		58,810,220	293,139,475	825,559,183	35.51	5.75	
17,418,620		69,674,480	288,178,830	836,486,658	34.45	6.10	
19,348,620		77,394,480	265,294,320	773,591,418	34.29	5.13	

**City of Amherst, Ohio**  
Property Tax Rates  
Last Ten Years

Fiscal Year	Effective Rate		City							County	Amherst Exempted School District	Lorain County Joint Vocational School
	Class 1 Res/Agr	Class 2 All other	Total Rate	General Fund	Bond Retirement - Inside	Bond Retirement - Voted	Fire - Voted	Health District	Total City			
2002 for 2003	46.06	52.92	82.32	3.00	0.20	0.90	1.00	1.00	6.10	12.89	60.88	2.45
2003 for 2004	45.16	52.58	83.14	3.00	0.20	0.55	1.00	1.00	5.75	12.89	62.05	2.45
2004 for 2005	45.58	52.74	83.37	3.00	0.20	0.55	1.00	1.00	5.75	13.19	61.98	2.45
2005 for 2006	46.93	53.05	83.67	3.00	0.20	0.55	1.00	1.00	5.75	13.49	61.98	2.45
2006 for 2007	43.36	49.09	83.30	3.00	0.20	0.50	1.00	1.00	5.70	13.49	61.66	2.45
2007 for 2008	43.66	48.93	83.10	3.00	0.20	0.50	1.00	1.00	5.70	13.39	61.56	2.45
2008 for 2009	50.71	55.70	90.22	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.68	2.45
2009 for 2010	50.71	55.61	90.22	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.68	2.45
2010 for 2011	52.58	56.02	90.17	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.63	2.45
2011 for 2012	53.39	56.83	89.79	3.00	0.20	0.50	1.00	1.00	5.70	13.69	67.95	2.45

Source: Lorain County Auditor

**City of Amherst, Ohio**  
Property Tax Levies And Collections  
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2011	\$ 1,504,030	\$ 1,459,375	97.03%	\$ 38,006	\$ 1,497,381	99.56%	\$ 106,595	7.09%
2010	1,509,548	1,419,521	94.04%	40,997	1,460,518	96.75%	69,484	4.60%
2009	1,534,471	1,448,599	94.40%	30,606	1,479,205	96.40%	52,293	3.41%
2008	1,447,383	1,411,767	97.54%	44,654	1,456,421	100.62%	49,366	3.41%
2007	1,414,529	1,375,776	97.26%	35,448	1,411,224	99.77%	38,848	2.75%
2006	1,332,810	1,299,579	97.51%	34,759	1,334,338	100.11%	29,516	2.21%
2005	1,304,357	1,272,619	97.57%	34,027	1,306,646	100.18%	32,211	2.47%
2004	1,265,889	1,235,798	97.62%	28,813	1,264,611	99.90%	55,427	4.38%
2003	1,182,379	1,150,168	97.28%	33,819	1,183,987	100.14%	30,799	2.60%
2002	1,161,290	1,124,502	96.83%	26,128	1,150,630	99.08%	23,582	2.03%

Source: Lorain County, Ohio: County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

**City of Amherst, Ohio**  
Principal Property Taxpayers  
2011

Taxpayer	Property Assessed Valuation (1)	Percentage of Assessed Valuation
Nordson Corp	\$ 4,530,840	1.42 %
Target Corporation	3,344,290	1.05 %
Amherst Plaza Limited Partnership	2,662,940	0.84 %
Amherst Ridge Equities LLC	2,656,120	0.83 %
Pierre Real Property LLC	1,890,010	0.59 %
LRF Properties LLC	1,866,810	0.59 %
Spitzer A Team Limited Partnership	1,462,720	0.46 %
Lormet Community Federal Credit Union	1,359,720	0.43 %
KTM North America Inc	1,273,760	0.40 %
Ontario Land Company	1,256,650	0.39 %
Total Ten Taxpayers Assessed Valuation	<u>\$ 22,303,860</u>	<u>6.99 %</u>
Total Assessed Valuation	<u>\$ 318,873,240</u>	

(1) The amounts presented represent the assessed values upon which 2010 collections were based.

Information for 2002 was not available.

**City of Amherst, Ohio**  
Income Tax Revenue Base and Collections  
Last Ten Years

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2011	1.50%	\$ 4,170,867	\$ 2,430,851	58.28%	\$ 352,133	8.44%	\$1,387,884	33.28%
2010	1.50%	3,971,792	2,275,471	57.29%	347,396	8.75%	1,348,926	33.96%
2009*	1.50%	4,192,827	2,338,619	55.78%	388,570	9.27%	1,465,638	34.96%
2008	1.50%	4,338,309	2,415,395	55.68%	340,143	7.84%	1,582,771	36.48%
2007	1.50%	4,174,442	2,434,981	58.33%	281,156	6.74%	1,458,305	34.93%
2006	1.50%	4,068,103	2,294,139	56.39%	285,236	7.01%	1,488,728	36.60%
2005	1.50%	3,882,300	2,250,827	57.98%	233,210	6.01%	1,398,264	36.02%
2004	1.50%	3,822,924	2,244,897	58.72%	247,164	6.47%	1,330,863	34.81%
2003	1.50%	3,687,817	2,184,166	59.23%	226,001	6.13%	1,277,651	34.65%
2002	1.50%	3,749,039	2,160,222	57.62%	253,536	6.76%	1,335,281	35.62%

(1) All years are shown on a cash basis. Source: City Income Tax Department  
\* Amounts corrected.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

**City of Amherst, Ohio**  
Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years

Year	Governmental Activities				Business-Type Activities							Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	Notes Payable	Capital Leases	OWDA Loans	OPWC Loans						
2011	\$ 2,622,147	\$ 501,958	\$ -	\$ 2,414,996	\$ 672,000	\$ -	\$ 6,134,135	\$ 70,244			\$ 12,415,480	3.73%	\$ 1,033	
2010	2,871,015	537,266	-	2,874,996	832,000	-	6,497,111	78,892			13,691,280	4.11%	1,139	
2009	3,113,805	572,574	-	3,314,997	982,000	-	6,847,192	87,540			14,918,108	4.93%	1,265	
2008	3,355,023	562,693	-	3,734,998	1,132,000	-	7,185,092	97,192			16,066,998	5.31%	1,362	
2007 *	3,594,185	468,966	-	4,154,998	1,282,000	-	7,510,743	105,839			17,116,731	5.66%	1,451	
2006	3,903,525	249,791	1,717	4,554,999	1,432,000	-	7,824,569	114,486			18,081,087	5.97%	1,533	
2005	2,615,759	70,646	4,291	4,140,000	1,585,000	-	8,099,235	83,039			16,597,970	5.48%	1,407	
2004	2,779,497	77,071	36,201	4,495,000	1,715,000	27,922	9,357,962	89,682			18,578,335	6.14%	1,575	
2003	2,948,000	85,996	69,720	4,770,000	1,865,000	54,264	5,935,709	96,324			15,825,013	5.23%	1,341	
2002	2,781,000	12,500	101,509	5,075,000	2,005,000	79,118	-	102,966			10,157,093	3.36%	861	

Note: Population and Personal Income data are presented on page 141.

N/A - Information not available

Source: City's financial records

\* - Restated amount per Note 18 of the 2008 CAFR.

**City of Amherst, Ohio**

Ratio of General Obligation Bonded Debt to Assessed  
Value and Bonded Debt Per Capita  
Last Ten Years

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2011	12,021	b	\$ 908,156,242	\$ 5,037,143	0.55 %	\$ 419.03
2010	12,021	b	908,948,591	5,746,011	0.63 %	478.00
2009	11,797	a	939,370,624	6,428,802	0.68 %	544.95
2008	11,797	a	976,116,121	7,090,021	0.73 %	601.00
2007	11,797	a	953,061,462	7,749,183	0.81 %	656.88
2006	11,797	a	947,446,031	8,458,524	0.89 %	717.01
2005	11,797	a	855,172,571	6,755,759	0.79 %	572.67
2004	11,797	a	825,559,183	7,274,497	0.88 %	616.64
2003	11,797	a	836,486,658	7,718,000	0.92 %	654.23
2002	11,797	a	773,591,418	7,856,000	1.02 %	665.93

Sources:

(1) U. S. Bureau of Census, Census of Population.

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception  
of Special Assessment debt.

**City of Amherst, Ohio**

## Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2011

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<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Amherst</b>			
General Obligation Bonds	\$ 2,622,147	100 %	\$2,622,147
OPWC Loans	<u>501,958</u>	100 %	<u>501,958</u>
<i>Total Direct Debt</i>	<u>3,124,105</u>		<u>3,124,105</u>
<b>Overlapping</b>			
County			
General Obligation Bonds	<u>30,005,000</u>	4.70%	<u>1,410,235</u>
<i>Total Overlapping Debt</i>	<u>30,005,000</u>		<u>1,410,235</u>
Total	<u><u>\$33,129,105</u></u>		<u><u>\$4,534,340</u></u>

Source: County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.



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**City of Amherst, Ohio**  
Legal Debt Margin  
Last Ten Years

	2011	2010	2009	2008
Total Assessed Property Value	<u>\$ 318,873,240</u>	<u>\$ 317,624,311</u>	<u>\$ 328,663,736</u>	<u>\$ 324,549,296</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>33,481,690</u>	<u>33,350,553</u>	<u>34,509,692</u>	<u>34,077,676</u>
Debt Outstanding:				
General Obligation Bonds	\$ 5,037,143	\$ 5,746,011	\$ 6,428,802	\$ 7,090,021
Less Accreted Debt	(157,147)	(126,015)	(98,805)	(75,023)
Notes Payable	672,000	832,000	982,000	1,132,000
OPWC Loans	572,202	616,158	660,114	659,885
OWDA Loans	<u>6,134,135</u>	<u>6,497,111</u>	<u>6,847,192</u>	<u>7,185,092</u>
Total Gross Indebtedness	12,258,333	13,565,265	14,819,303	15,991,975
Less:				
General Obligation Bonds - Business Type Activities	(2,414,996)	(2,874,996)	(3,314,997)	(3,734,998)
Notes Payable - Business Type Activities	(672,000)	(832,000)	(982,000)	(1,132,000)
OPWC Loans - Business Type Activities	(70,244)	(78,892)	(87,540)	(97,192)
OWDA Loans - Business Type Activities	<u>(6,134,135)</u>	<u>(6,497,111)</u>	<u>(6,847,192)</u>	<u>(7,185,092)</u>
Total Net Debt Applicable to Debt Limit	<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 30,514,732</u>	<u>\$ 30,068,287</u>	<u>\$ 30,922,118</u>	<u>\$ 30,234,983</u>
Legal Debt Margin as a Percentage of the Debt Limit	91.14%	90.16%	89.60%	88.72%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 17,538,028</u>	<u>\$ 17,469,337</u>	<u>\$ 18,076,505</u>	<u>\$ 17,850,211</u>
Total Gross Indebtedness	12,258,333	13,565,265	14,819,303	15,991,975
Less:				
General Obligation Bonds - Business Type Activities	(2,414,996)	(2,874,996)	(3,314,997)	(3,734,998)
Notes Payable - Business Type Activities	(672,000)	(832,000)	(982,000)	(1,132,000)
OPWC Loans - Business Type Activities	(70,244)	(78,892)	(87,540)	(97,192)
OWDA Loans - Business Type Activities	<u>(6,134,135)</u>	<u>(6,497,111)</u>	<u>(6,847,192)</u>	<u>(7,185,092)</u>
Net Debt Within 5 ½ % Limitations	<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 14,571,070</u>	<u>\$ 14,187,071</u>	<u>\$ 14,488,931</u>	<u>\$ 14,007,518</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	83.08%	81.21%	80.15%	78.47%

Source: City Financial Records

\* - Restated amounts per Note 18 of the 2008 CAFR.

2007 *	2006	2005	2004	2003	2002
<u>\$ 321,096,960</u>	<u>\$ 323,199,756</u>	<u>\$ 297,230,255</u>	<u>\$ 293,139,475</u>	<u>\$ 288,178,830</u>	<u>\$ 265,294,320</u>
33,715,181	33,935,974	31,209,177	30,779,645	30,258,777	27,855,904
\$ 7,749,183 (54,185)	\$ 8,458,524 (36,023)	\$ 6,755,759 (20,149)	\$ 7,274,497 (6,284)	\$ 7,718,000 -	\$ 7,856,000 -
1,282,000	1,432,000	1,585,000	1,715,000	1,865,000	2,005,000
574,805	364,277	153,685	166,753	182,320	115,466
<u>7,510,743</u>	<u>7,824,569</u>	<u>8,099,235</u>	<u>9,357,962</u>	<u>5,935,709</u>	<u>-</u>
17,062,546	18,043,347	16,573,530	18,507,928	15,701,029	9,976,466
(4,154,998)	(4,554,999)	(4,140,000)	(4,495,000)	(4,770,000)	(5,075,000)
(1,282,000)	(1,432,000)	(1,585,000)	(1,715,000)	(1,865,000)	(2,005,000)
(105,839)	(114,486)	(83,039)	(89,682)	(96,324)	(102,966)
<u>(7,510,743)</u>	<u>(7,824,569)</u>	<u>(8,099,235)</u>	<u>(9,357,962)</u>	<u>(5,935,709)</u>	<u>-</u>
<u>4,008,966</u>	<u>4,117,293</u>	<u>2,666,256</u>	<u>2,850,284</u>	<u>3,033,996</u>	<u>2,793,500</u>
<u>\$ 29,706,215</u>	<u>\$ 29,818,681</u>	<u>\$ 28,542,921</u>	<u>\$ 27,929,361</u>	<u>\$ 27,224,781</u>	<u>\$ 25,062,404</u>
88.11%	87.87%	91.46%	90.74%	89.97%	89.97%
<u>\$ 17,660,333</u>	<u>\$ 17,775,987</u>	<u>\$ 16,347,664</u>	<u>\$ 16,122,671</u>	<u>\$ 15,849,836</u>	<u>\$ 14,591,188</u>
17,062,546	18,043,347	16,573,530	18,507,928	15,701,029	9,976,466
(4,154,998)	(4,554,999)	(4,140,000)	(4,495,000)	(4,770,000)	(5,075,000)
(1,282,000)	(1,432,000)	(1,585,000)	(1,715,000)	(1,865,000)	(2,005,000)
(105,839)	(114,486)	(83,039)	(89,682)	(96,324)	(102,966)
<u>(7,510,743)</u>	<u>(7,824,569)</u>	<u>(8,099,235)</u>	<u>(9,357,962)</u>	<u>(5,935,709)</u>	<u>-</u>
<u>4,008,966</u>	<u>4,117,293</u>	<u>2,666,256</u>	<u>2,850,284</u>	<u>3,033,996</u>	<u>2,793,500</u>
<u>\$ 13,651,367</u>	<u>\$ 13,658,694</u>	<u>\$ 13,681,408</u>	<u>\$ 13,272,387</u>	<u>\$ 12,815,840</u>	<u>\$ 11,797,688</u>
77.30%	76.84%	83.69%	82.32%	80.86%	80.85%

**City of Amherst, Ohio**  
Principal Employers  
Current Year and Nine Years Ago

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**2011**

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Employer	Type of Business	Rank
Nordson Corporation	Manufacturing	1
Amherst Exempted Village Schools	Education	2
City of Amherst	Government	3
Clovervale Farms, Inc.	Manufacturing	4
Giant Eagle, Inc.	Grocery Store	5
Amherst Manor	Healthcare	6
Amherst Hospital	Healthcare	7
Mercy Medical Partners	Healthcare	8
Specialty Hospital of Lorain	Healthcare	9
Premier Toyota Scion	Sales	10

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**2002**

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Employer	Type of Business	Rank
Nordson Corporation	Manufacturing	1
Amherst Exempted Village Schools	Education	2
City of Amherst	Government	3
Amherst Hospitals	Healthcare	4
Giant Eagle Inc.	Grocery Store	5
Amherst Manor	Healthcare	6
Grace Hospital	Healthcare	7
Spitzer Auto World Amherst Inc.	Auto Sales	8
KTM North America	Manufacturing	9
The American Eagle Mortgage Corporation	Mortgage Loans	10

Source: City Tax Department

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

**City of Amherst, Ohio**  
Demographic and Economic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2011	12,021	b \$ 332,981,700	\$ 27,700	\$ 61,458	44.6	3,065	4,274	8.0%	\$ 159,668	\$ 318,873,240
2010	12,021	b 332,981,700	27,700	61,458	44.6	3,065	4,247	9.7	159,447	317,624,311
2009	11,797	a 302,663,832	25,565	53,513	40.2	1,805	4,092	9.5	159,260	328,663,736
2008	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,292	7.0	166,870	324,549,296
2007	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,333	6.2	166,290	321,096,960
2006	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,345	5.8	165,150	323,199,756
2005	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,257	5.8	174,058	297,230,255
2004	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,232	6.2	161,117	293,139,475
2003	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,190	6.6	176,727	288,178,830
2002	11,797	a 302,663,832	25,656	53,513	40.2	1,805	3,967	7.1	161,025	265,294,320

(1) Source: U. S. Census

(a) Years 2000 through 2009 - 2000 Federal Census

(b) 2010 Federal Census

(2) Source: Amherst Exempted Village Board of Education

(3) Source: Ohio Department of Unemployment, Labor Market Information Department

(4) Source: County Auditor

(5) Computed by taking per capita personal income multiplied by population

N/A - Information not available

**City of Amherst, Ohio**  
 Full-Time Equivalent City Government Employees by Function/Program  
 Last Ten Years

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
Council	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.50	3.50
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50
<b>Security of Persons and Property</b>										
Police	25.00	24.00	24.00	22.50	22.50	22.50	22.50	22.00	22.50	22.00
Police - Dispatchers/Office/Other	7.00	7.00	7.00	9.00	10.00	10.00	9.00	9.00	8.00	9.00
Fire	16.50	17.50	16.50	16.00	17.50	17.50	17.00	17.00	18.00	17.00
<b>Public Health Services</b>										
Cemetery	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.00	4.00	3.50
<b>Social Services</b>										
Leisure Time Activities	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.50
Recreation	1.00	1.00	1.00	1.00	1.00	1.50	1.50	0.50	1.50	2.00
<b>Community Development</b>										
Building	2.00	2.00	2.00	3.50	4.00	4.00	4.00	4.50	4.00	4.00
Transportation	7.00	7.00	7.00	7.00	8.00	6.00	8.00	8.00	8.00	8.00
Street M&R	7.00	7.00	7.00	7.00	8.00	8.00	8.00	7.00	5.00	6.00
<b>Basic Utility Services</b>										
Electric	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Utility Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	5.00
Water	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	5.00
Wastewater	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	8.00
<b>Totals</b>	<b>102.00</b>	<b>102.50</b>	<b>101.50</b>	<b>103.00</b>	<b>107.00</b>	<b>108.00</b>	<b>108.50</b>	<b>105.50</b>	<b>107.50</b>	<b>108.50</b>

**Source:** OBEC (Ohio Bureau Employee Compensation) report, plus elected officials.

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

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**City of Amherst, Ohio**

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances Passed	70	65	47	53
Number of Resolutions Passed	9	7	5	5
Number of Planning Commission docket items	8	11	5	19
Zoning Board of Appeals docket items	9	35	32	55
<i>Finance Department</i>				
Number of checks/ vouchers issued	2,918	2,958	3,094	3,463
Amount of checks written	\$ 27,863,437	\$ 26,828,779	\$ 25,073,934	\$ 26,112,499
Interest earnings for fiscal year (cash basis)	\$ 107,092	\$ 67,858	\$ 474,036	\$ 502,538
Number of Receipts issued	616	641	644	643
Number of Journal Entries issued	421	432	441	469
Number of Budget Adjustments issued	5	3	5	8
Agency Ratings - Moody's Financial Services	Aa3	Aa3	A-2	A-2
Health Insurance Costs vs General Fund Expenditures %	7.78%	7.77%	8.40%	9.00%
General Fund Receipts (cash basis in thousands)	\$ 5,100	\$ 4,987	\$ 4,293	\$ 4,572
General Fund Expenditures (cash basis in thousands)	\$ 4,884	\$ 5,001	\$ 4,719	\$ 4,979
General Fund Cash Balances (in thousands)	725	560	556	980
<i>Income Tax Department</i>				
Number of Individual Returns	5,354	5,305	5,356	5,278
Number of Business Returns	1,174	1,136	1,174	1,194
Number of business withholding accounts	935	997	853	1,013
Amount of Penalties and Interest Collected	\$ 49,690	\$ 19,799	\$ 16,971	\$ 17,946
Annual number of Corporate withholding forms processed	3,993	4,007	3,879	4,053
Annual number of balance due statements forms processed	4,675	4,750	4,500	4,500
Annual number of estimated payment forms processed	863	729	710	731
Annual number of reconciliations of withholdings processed	904	957	897	939
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	0
Number of police promotional tests administered	3	0	0	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of police officers from certified lists	2	0	0	0
Number of promotions from police certified lists	0	0	0	0
Number of promotions from fire certified lists	0	0	0	0
<i>Building Department Indicators</i>				
Construction Permits Issued	989	775	703	672
Estimated Value of Construction	\$ 11,207,276	\$ 10,490,529	\$ 9,681,151	\$ 9,440,858
Amount of revenue generated from permits	\$ 136,485	\$ 160,595	\$ 173,837	\$ 134,371
Number of contract registrations issued	441	439	429	463
<b>Security of Persons &amp; Property</b>				
<i>Police</i>				
Total Calls for Services	8,765	9,698	10,418	10,243
Number of traffic citations issued	2,005	2,291	2,571	2,649
Number of parking citations issued	96	268	223	215
Number of criminal arrests	1,014	1,314	1,385	1,423
Number of accident reports completed	441	445	437	449
Police Dept. Auxiliary hours worked	576	900	942	1,662
DUI Arrests	65	97	108	153
Prisoners	225	326	317	256
Prisoner meal costs	\$ 1,070	\$ 1,632	\$ 1,086	\$ 813
Motor Vehicle Accidents	441	445	437	449
Fatalities from Motor Vehicle Accidents	3	1	1	1
Gasoline costs of fleet	\$ 68,243	\$ 55,508	\$ 41,663	\$ 56,155
Community Diversion Program Youths	35	41	42	82
Community Diversion Program - community service hours	245	287	294	574



	2007	2006	2005	2004	2003	2002
	84	80	102	11	148	162
	9	8	8	12	12	18
	21	27	31	28	N/A	N/A
	59	71	62	54	N/A	N/A
	3,626	3,595	3,897	3,652	3,381	3,788
\$	30,101,952	\$ 27,187,148	\$ 30,980,308	\$ 28,156,561	\$ 24,223,222	\$ 15,348,014
\$	1,018,280	\$ 877,438	\$ 607,401	\$ 335,179	\$ 291,367	\$ 363,010
	617	631	652	683	766	868
	501	518	572	536	534	540
	9	11	6	12	12	22
	A-2	A-2	N/A	N/A	N/A	N/A
	9.80%	6.40%	5.80%	5.50%	6.90%	6.60%
\$	4,906	\$ 4,917	\$ 4,563	\$ 8,022	\$ 5,273	\$ 4,521
\$	4,862	\$ 4,878	\$ 4,822	\$ 8,588	\$ 4,918	\$ 4,408
	1,376	1,405	1,365	1,624	2,190	1,835
	5,315	5,315	5,364	5,361	5,217	5,085
	1,146	1,112	1,120	1,075	1,127	1,082
	1,037	966	986	1,016	98	1,008
\$	19,292	\$ 24,728	\$ 27,466	\$ 32,064	\$ 33,444	\$ 21,422
	4,174	3,932	3,928	4,153	3,912	3,994
	4,200	3,600	2,800	2,000	2,000	1,500
	576	785	773	768	745	798
	1,037	979	943	954	937	983
	1	0	0	1	0	0
	0	0	0	0	0	1
	0	0	0	0	1	0
	0	0	1	1	4	0
	0	0	0	0	0	1
	0	0	0	0	1	0
	778	841	958	1,004	1,133	1,104
\$	21,945,621	\$ 19,589,286	\$ 21,752,602	\$ 21,085,964	\$ 30,360,104	\$ 24,430,088
\$	255,648	\$ 261,251	\$ 333,002	\$ 349,943	\$ 441,024	\$ 222,688
	537	408	162	163	133	130
	10,662	10,675	11,462	12,844	12,508	11,565
	2,699	1,679	3,374	2,091	2,931	1,181
	316	467	880	349	221	282
	1,675	1,675	1,675	1,432	950	711
	375	385	427	491	426	488
	1,214	1,999	2,269	2,184	N/A	N/A
	120	130	142	186	161	100
	365	110	N/A	N/A	N/A	N/A
\$	4,222	\$ 7,904	9,892	3,319	8,625	4,694
	427	385	427	491	426	488
	0	1	0	0	0	0
\$	48,107	\$ 48,708	39,765	32,830	26,639	26,057
	63	83	74	82	51	N/A
	441	498	444	492	306	N/A

(continued)

**City of Amherst, Ohio**

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2011	2010	2009	2008
<b>Fire</b>				
EMS Calls	143	148	151	184
Fire Calls	398	323	378	380
Fires with Loss	18	21	20	23
Fires with Losses exceeding \$10K	15	18	13	15
Fire Losses \$	\$ 640,000	\$ 843,600	\$ 423,500	\$ 613,400
Fire Safety Inspections	400	450	320	300
Number of times Mutual Aid given to Fire and EMS	15	15	30	36
Number of times Mutual Aid received for Fire and EMS	5	7	7	12
<b>Public Health and Welfare</b>				
Cemetery sale of lots	7	7	20	18
Cemetery receipts	\$ 10,216	\$ 14,098	\$ 22,976	\$ 18,684
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation Swimming pool receipts	\$ 62,839	\$ 63,834	\$ 63,888	\$ 72,323
Recreation Mens & Womens Leagues receipts	7,682	9,492	9,113	10,360
Senior Van Fees	2,476	2,858	2,757	2,850
Beaver Creek Facilities rentals	17,330	17,275	15,520	16,890
Total Recreation Department receipts	\$ 90,327	\$ 93,459	\$ 91,278	\$ 102,423
<b>Community Development</b>				
Grant amounts received due to Economic Development Dept.	\$ 32,103	\$ -	\$ -	\$ 87,284
<b>Transportation</b>				
Cost of salt purchased	\$ 147,911	\$ 170,138	\$ 118,215	\$ 158,784
<b>Water Department</b>				
Water Rates per 1st 3,000 gallons of water used	13.11	13.17	12.63	8.50
Avg. number of water accounts billed monthly (Cu. Ft.)	5,909	5,889	5,914	5,905
Total Water Collections Annually (Including P&I)	\$ 2,234,324	\$ 2,111,159	\$ 1,855,782	\$ 1,607,416
Payments to Elyria and Lorain for bulk water purchases	\$ 1,417,414	\$ 1,176,408	\$ 988,583	\$ 744,279
<b>Wastewater Department</b>				
Wastewater Rates per 1st 3,000 gallons of water used	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Total flow of wastewater treatment plant (Billions of Gallons)	1.044	0.747	0.777	0.891
Tons of dry sludge removed	135.33	276.05	244.38	303.74

N/A - Information not available.

Source: City departments.

	2007	2006	2005	2004	2003	2002
	166	121	210	217	86	N/A
	376	334	318	337	344	N/A
	16	38	39	39	33	N/A
	12	10	8	9	4	N/A
\$	446,000	\$ 944,500	\$ 662,400	\$ 748,000	\$ 209,130	N/A
	300	290	270	255	N/A	N/A
	25	20	10	8	9	N/A
	8	10	3	4	4	N/A
	17	19	2	5	8	10
\$	11,160	\$ 21,062	\$ 10,989	\$ 12,714	\$ 10,812	\$ 16,817
\$	66,011	\$ 60,086	\$ 56,092	\$ 52,389	\$ 50,359	\$ 63,927
	8,435	9,150	9,030	8,790	10,020	9,060
	2,608	2,968	1,781	944	1,189	1,164
	12,910	12,490	12,195	0	10,255	N/A
	<u>\$89,964</u>	<u>\$84,694</u>	<u>\$79,098</u>	<u>\$62,123</u>	<u>\$71,823</u>	<u>\$74,151</u>
\$	170,854	\$ 151,518	\$ 340,984	\$ 149,360	\$ 149,188	\$ 229,269
\$	106,457	\$ 66,143	\$ 106,654	\$ 114,271	\$ 113,767	\$ 86,866
	8.70	8.91	9.93	10.65	10.65	10.65
	5,906	5,839	5,737	5,808	5,727	5,781
\$	1,666,827	\$ 1,706,332	\$ 1,917,977	\$ 1,804,173	\$ 1,669,267	\$ 1,714,909
\$	851,051	\$ 822,263	\$ 805,671	\$ 1,033,785	\$ 1,020,923	\$ 1,009,236
\$	25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
	0.843	0.954	1.097	0.897	0.848	0.712
	379.42	282.31	263.67	161.05	271.09	246.30

**City of Amherst, Ohio**

Capital Assets Statistics by Function/Program

Last Six Years

Function/Program	2011	2010	2009	2008	2007	2006
<b>General Government</b>						
Square Footage Occupied	13,202	13,202	13,202	13,202	13,202	13,202
Administrative Vehicles	0	0	0	0	0	0
Inspection Vehicles	0	0	0	0	0	0
Municipal Court Vehicles	0	0	0	0	0	0
Lands & Buildings Vehicles	0	0	0	0	0	0
<b>Police</b>						
Stations	1	1	1	1	1	1
Square Footage of Building	20,000	20,000	20,000	20,000	20,000	20,000
Vehicles	19	19	19	19	19	19
<b>Fire</b>						
Stations	1	1	1	1	1	1
Square Footage of Building	18,050	18,050	18,050	18,050	18,050	18,050
Vehicles	10	10	10	10	10	10
<b>Recreation</b>						
Number of Parks	6	6	6	5	5	4
Number of Pools	1	1	1	1	1	1
Number of Ice Rinks	0	0	0	0	0	0
Number of Tennis Courts	0	0	0	0	0	0
Number of Skateboarding Areas	0	0	0	0	0	0
Number of Baseball Diamonds	0	0	0	0	0	0
Number of Tot Lots	0	0	0	0	0	0
Number of Soccer Fields	3	3	3	3	3	3
Square Footage of Ellenwood Building	2,800	2,800	2,800	2,800	2,800	2,800
Vehicles	3	3	3	3	3	3
<b>Other Public Works</b>						
Streets (miles)	71	71	71	71	71	71
Service Vehicles	13	13	13	13	15	15
<b>Wastewater</b>						
Sanitary Sewers (miles)	69.00	69.00	69.00	69.00	69.00	69.00
Storm Sewers (miles)	40.00	40.00	40.00	40.00	40.00	40.00
Vehicles	4	4	4	4	4	4
<b>Water Department</b>						
Water Lines (miles)	70	70	70	70	70	70
Vehicles	6	6	6	6	4	3

Information prior to 2006 is not available.

Source: City departments.

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# Balestra, Harr & Scherer, CPAs, Inc.

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CITY OF AMHERST  
LORAIN COUNTY

REGULAR AUDIT

For the Year Ended December 31, 2011  
Fiscal Year Audited Under GAGAS: 2011

**CITY OF AMHERST  
LORAIN COUNTY, OHIO**

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# Balestra, Harr & Scherer, CPAs, Inc.

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## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Amherst  
Lorain County  
480 Park Avenue  
Amherst, Ohio 44001

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2012 wherein we noted the City implemented Governmental Accounting Standard No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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

City of Amherst

Lorain County

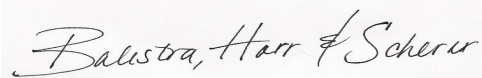
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by  
*Government Auditing Standards*

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### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, the City Council, and others within the City. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

June 26, 2012



# Dave Yost • Auditor of State

CITY OF AMHERST

LORAIN COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 4, 2012