

City of Amherst  
Lorain County, Ohio

*Reports Issued Pursuant to  
Government Auditing Standards*

For the Year Ended  
December 31, 2015





# Dave Yost • Auditor of State

Members of 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 Rea & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. 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 10, 2016

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**City of Amherst**  
**Lorain County, Ohio**  
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*December 31, 2015*

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June 28, 2016

To the City Council  
City of Amherst  
Lorain County, Ohio  
206 S. Main St.  
Amherst, OH 44001

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2016, wherein we noted the City restated the net position balances to account for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* and to account for unrecorded accounts payable in the prior period.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item #2015-001 that we consider to be a material weakness.

### **Compliance and Other Matters**

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

### **The City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hea & Associates, Inc.*

Medina, Ohio

**City of Amherst  
Lorain County, Ohio**

*Schedule of Findings  
December 31, 2015*

**Findings Related to the Financial Statements  
Required to be Reported In Accordance With GAGAS**

**Finding Number: 2015-001  
Material Weakness – Financial Reporting**

**Criteria:** The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 122 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the audit to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 122 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

**Condition:** There were material audit adjustments made to the financial statements presented for audit.

**Cause:** There were two factors that resulted in the adjustments to the financial statements, each independent of the other, identified below:

The City's payments for the purchase of electric in the electric fund are made 1 month in arrears. The January 2016 payment for December 2015 electric and the January 2015 payment for December 2014 electric were not recorded as liabilities as of December 31, 2015 and December 31, 2014.

Each month the City transfers the required portion of the Kilowatt-Hour Tax (kWh) from the electric fund to the general fund for the tax associated with inside customers. Per City ordinance the kWh tax transferred to the general fund is transferred back to the electric fund. Ohio Rev. Code section 5727.81 states in part the tax associated with inside customers must be allocated to the community's general fund and the community may retain the money in the general fund. The financial statements presented for audit excluded the inside customer kWh tax revenue in the general fund and all associated transfers recorded by the City were eliminated during the preparation of the financial statements.

**Effect:** The first condition described above resulted in an overstatement of beginning net position for the electric fund in the amount of \$675,698; an understatement of accounts payable of \$721,400; and understatement of contract services expense in the amount of \$45,702. The second condition described above resulted in an understatement of general fund kWh tax revenue of \$441,572; an overstatement of general fund transfers in of \$441,572; an overstatement of electric fund charges for services of \$441,572; and an understatement of electric fund transfers out of \$441,572.

**Recommendation:** To ensure the City's financial statements are complete and accurate, the City should adopt policies and procedures to ensure a final review of the statements by management to identify and correct errors and omissions.

**Management Response:** Management will scrutinize all major transactions more closely to ensure that accounting treatment is in accordance with GAAP. Where necessary management will seek the guidance from a third party accountant.

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Comprehensive Annual  
Financial Report



**For the Year Ended  
December 31, 2015**

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**City of Amherst, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2015**

Prepared by:  
David Kukucka, City Auditor

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## **Introductory Section**

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# City of Amherst, Ohio

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2015

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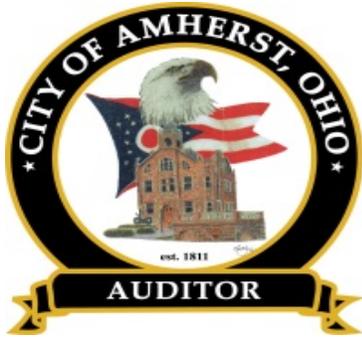
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## *City of Amherst*

David C. Kukucka, Auditor

480 Park Avenue

Amherst, OH 44001

Phone: 440-988-3451 Fax: 440-984-2808

June 28, 2016

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

We are pleased to submit to you the City of Amherst's fourteenth Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2015.

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 (GASB) Statement No. 14 "The Financial Reporting Entity" as amended by GASB Statement No.'s 34, 39, and 61. 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.

The City's 2010 population of 12,021 placed it as the sixth 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 2015)	
Residential	81.44%
Commercial/Industrial	17.78
Public Utility	0.78
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).

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: Mercy Regional Medical Center, 3.5 miles north of the City, which also has the University Hospitals, Siedman Cancer Center, five miles east of the City; MercyAllen Medical Center, 7.5 miles south of the City; and University Hospitals Elyria Health Center, approximately 15 miles from the City. Also located in the City is University Hospitals 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, Northwest Bank, U.S. Bank, J.P. Morgan Chase, First Merit, PNC Bank, 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 \$58,893,771.

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 \$58,893,771, 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>
1970	9,902	256,843	3,098,513
1980	10,638	274,909	2,938,277
1990	10,332	271,126	2,859,644
2000	11,797	284,664	2,945,831
2010	12,021	301,356	N/A

N/A – not available at time of report.

### 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 35-member Volunteer Fire Department. Solid waste collection is by subscription and is provided by Republic Services. Solid waste is sent to a Lorain County landfill owned by Republic Services.

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 4,955 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 5,933 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 6,196 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, 2024, with a right to continue in five year increments until either party wishes to terminate giving a two year notice. The City's original contract with Lorain was to expire on December 31, 2015. During November 2015, the City signed a new contract for a term of 20 years with a right to continue in five year increments until either party wishes to terminate giving a three year notice.

## 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 its 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 \$104 million to charitable and philanthropic purposes predominantly in northern Ohio.

University Hospitals Amherst Hospital is under the umbrella of The University Hospitals Elyria 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.

Advancepierre Foods, Inc. (Cloverdale Farms LLS) has expanded its operation in the City of Amherst by investing approximately \$3,000,000 to remodel its current site. Cloverdale was also planning to add 452 new jobs beyond its original 101 jobs. Through the end of 2015, they presently have approximately 535 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 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 accounting principles generally accepted in the United States of America 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 2013. The CAFRs through December 31, 2014 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 2015 CAFR to GFOA for consideration.

The City also received the Making Your Tax Dollars Count Award from the State Auditor for excellence in financial reporting in connection with the 2006-2013 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 The State Auditor was completed for the year ended December 31, 2014. The Basic Financial Statements of the City for the year ended December 31, 2015, have been audited by Rea & Associates, as stated in its 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.

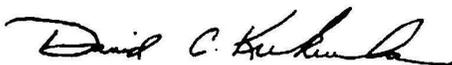
## Acknowledgements

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 CPAs, Inc. 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,



David C. Kukucka  
Amherst City Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
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**City of Amherst  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

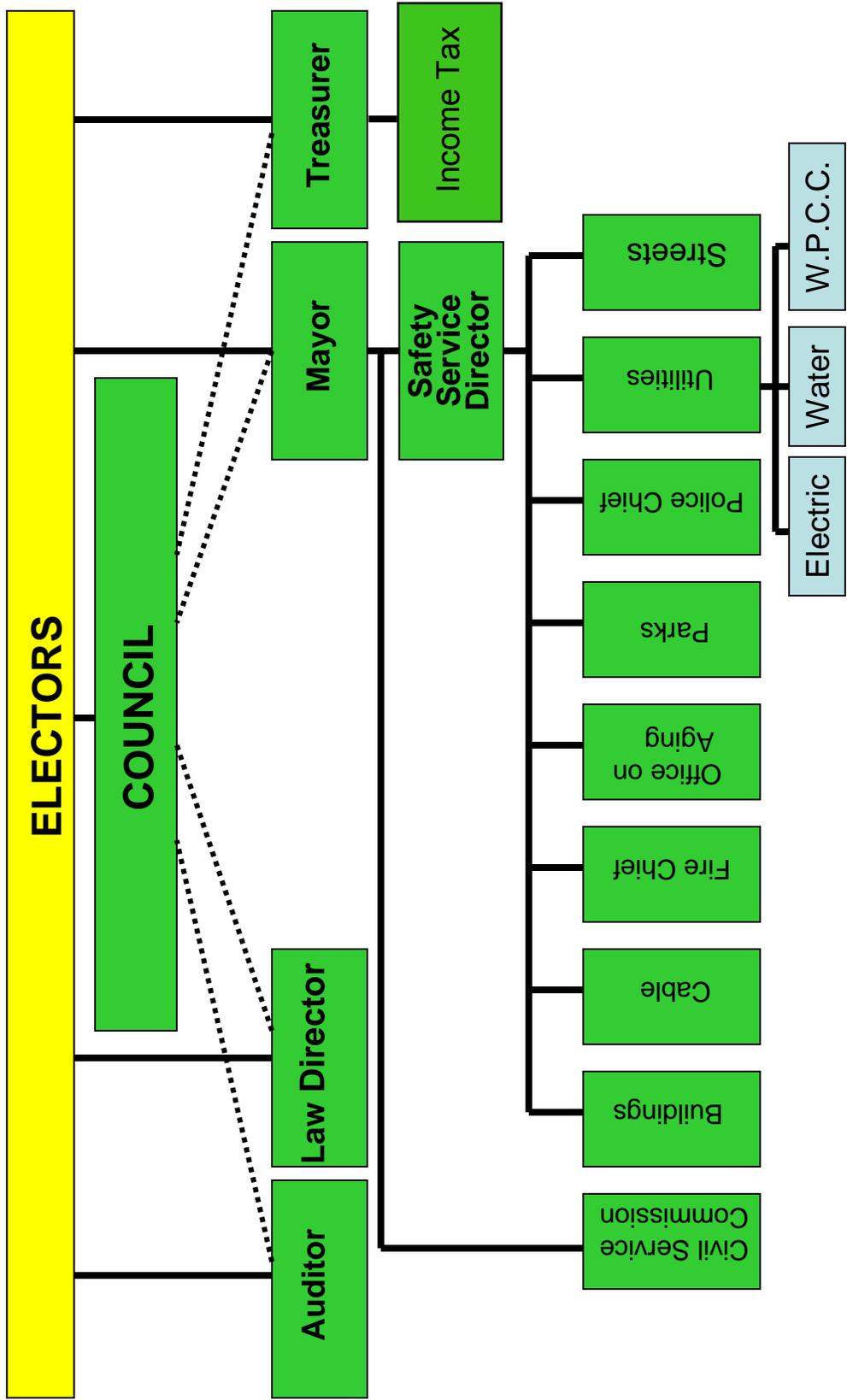
**December 31, 2014**

Executive Director/CEO

# Management Structure

City of Amherst

## Departmental Organizational Chart



**City of Amherst, Ohio**  
Principal Officials

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***Elected Officials***

Mayor .....	David G. Taylor
President of Council .....	John S. Dietrich
Council Member Ward 1 .....	Steve Bukovac
Council Member Ward 2 .....	David W. Goodell
Council Member Ward 3 .....	Charles S. Winiarski
Council Member Ward 4 .....	Jennifer L. Scott-Wasilk
Council Member – At large .....	Joseph A. Miller
Council Member – At large .....	David Janik
Council Member – At large .....	Phil Van Treuren
Auditor .....	David Kukucka
Director of Law .....	Anthony R. Pecora
Treasurer .....	Richard Ramsey

***Appointed Officials***

Council Clerk .....	Lindsay Turley
Secretary to the Mayor and Safety/Service Director .....	Jami L. Anderson
Assistant Law Director/Prosecutor .....	Frank S Carlson
Safety/Service Director .....	Mark Costilow
Deputy Auditor .....	Gwen Melbar
Budgetary Clerk .....	Carole Shawver
Income Tax Secretary .....	Laura Kemp
Treasurer’s Administrative Assistant .....	Karen Flynn
Building Inspector .....	David Macartney
Utilities Superintendent .....	Ron Merthe
Amherst Area Office on Aging Director .....	Nina Lorandaeu
Police Chief .....	Joseph K. Kucirek
Fire Chief .....	Wayne Northeim
Park Commission Chairman .....	John Jeffreys

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## **Financial Section**

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June 28, 2016

To the City Council  
City of Amherst  
Lorain County, Ohio  
206 S. Main St.  
Amherst, OH 44001

## **Independent Auditor's Report**

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of a Matter***

As described in Note 16, the City restated the net position balances to account for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* and to account for unrecorded accounts payable in the prior period. Our opinion is not modified with respect to these matters.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of the net pension liability, and the schedules of City contributions on pages 4-15, 71-72, and 73-74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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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, 2015. 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 2015 are:

- Total assets increased by \$528,534 or a 0.72 percent increase from 2014.
- Total net position increased by \$1,379,026 or a 2.6 percent increase over 2014.
- Total net capital assets increased by \$1,468,093, or a 3.1 percent increase from 2014.
- Total outstanding long-term liabilities decreased by \$680,577, or a 4.0 percent decrease from 2014.
- Municipal income tax revenue for governmental activities increased \$290,938, or a 6.1 percent increase from 2014.
- The implementation of GASB 68 had the effect of restating net position for governmental activities at December 31, 2014, from \$33,298,033 to \$28,081,079 and for business-type activities at December 31, 2014 from \$27,070,956 to \$26,575,696.

#### **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 Position* 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 funds, 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 Position 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 2015?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, liabilities, and deferred inflows/outflows of resources 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 position and its changes. The changes in net position 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, 2015**

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position 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 20. 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 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 Position* 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, 2015

#### The City as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

**Table 1**  
**Net Position**

	Governmental Activities		Business Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
<b>Assets:</b>						
Current and other assets	\$ 11,425,297	\$ 11,572,211	\$ 13,903,178	\$ 14,695,823	\$ 25,328,475	\$ 26,268,034
Capital assets, net	27,199,300	26,454,470	21,062,241	20,338,978	48,261,541	46,793,448
Total assets	38,624,597	38,026,681	34,965,419	35,034,801	73,590,016	73,061,482
<b>Deferred outflows of resources:</b>						
Pensions	806,059	608,401	209,166	70,620	1,015,225	679,021
<b>Liabilities:</b>						
Current and other liabilities	378,095	443,523	1,495,512	1,329,265	1,873,607	1,772,788
Noncurrent liabilities:						
Due within one year	438,263	413,970	730,251	884,132	1,168,514	1,298,102
Due in more than one year:						
Net pension liability	6,086,137	5,825,355	578,958	565,881	6,665,095	6,391,236
Other amounts	2,552,985	2,689,822	5,738,134	6,426,145	8,291,119	9,115,967
Total liabilities	9,455,480	9,372,670	8,542,855	9,205,423	17,998,335	18,578,093
<b>Deferred inflows of resources:</b>						
Pensions	48,800	-	10,171	-	58,971	-
Property taxes not levied to finance current year operations	1,187,832	1,181,333	-	-	1,187,832	1,181,333
Total deferred inflows of resources	1,236,632	1,181,333	10,171	-	1,246,803	1,181,333
<b>Net position:</b>						
Net investment in capital assets	24,654,542	23,854,006	15,139,933	13,696,676	39,794,475	37,550,682
Restricted for:						
Capital projects	2,628,512	2,978,910	-	-	2,628,512	2,978,910
Debt service	471,269	451,068	-	-	471,269	451,068
Other purposes	2,084,727	2,133,163	-	-	2,084,727	2,133,163
Unrestricted	(1,100,506)	(1,336,068)	11,481,626	12,203,322	10,381,120	10,867,254
Total net position	\$ 28,738,544	\$ 28,081,079	\$ 26,621,559	\$ 25,899,998	\$ 55,360,103	\$ 53,981,077

\* As restated, see Note 16.

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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Total assets increased as compared to the prior year in the amount of \$528,534. Current and other assets decreased \$939,559 while capital assets increased \$1,468,093. The decrease to current and other assets is due primarily to decreases in equity in pooled cash and investments and investment in joint venture. The decrease to equity in pooled cash and investments is due to expenditures exceeding revenues during the year. The decrease in the investment in joint venture is a direct result of the joint venture incurring a net loss for the year. The increase to capital assets is due to current year additions, which was partially offset by deletions and current year depreciation.

Deferred outflows of resources increased due primarily to increases in pension payments in 2015 which are recognized as deferred outflows of resources. The decrease to other amounts due in more than one year is primarily due to a debt principal payments. Deferred inflows of resources increased due to the implementation of GASB 68 which increased deferred inflows of resources related to pensions.

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

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

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

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

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

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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

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

As a result of implementing GASB 68 and GASB 71, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position for governmental activities at December 31, 2014, from \$33,298,033 to \$28,081,079 and for business-type activities at December 31, 2014 from \$27,070,956 to \$26,575,696. The business-type activities had an additional adjustment in the amount of \$675,698 to restate the beginning balance to \$25,899,998. See Note 16 for additional information.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2015

Table 2 shows the changes in net position for 2015 compared with 2014.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for services	\$ 637,108	\$ 768,683	\$ 15,865,192	\$ 16,025,013	\$ 16,502,300	\$ 16,793,696
Operating grants and contributions	710,636	651,888	-	-	710,636	651,888
Capital grants and contributions	223,001	200,188	-	-	223,001	200,188
Total program revenues	<u>1,570,745</u>	<u>1,620,759</u>	<u>15,865,192</u>	<u>16,025,013</u>	<u>17,435,937</u>	<u>17,645,772</u>
General revenues:						
Property and other taxes	1,230,569	1,240,026	-	-	1,230,569	1,240,026
Municipal income taxes	5,036,498	4,745,560	-	-	5,036,498	4,745,560
Kilowatt taxes	441,572	441,383	-	-	441,572	441,383
Grants and entitlements	528,279	653,965	-	-	528,279	653,965
Investment earnings	98,770	53,622	-	-	98,770	53,622
Gain on sale of assets	7,535	-	1,688	-	9,223	-
Miscellaneous income	53,427	59,826	620	2,919	54,047	62,745
Unrestricted contributions	-	27,061	-	-	-	27,061
Total general revenues	<u>7,396,650</u>	<u>7,221,443</u>	<u>2,308</u>	<u>2,919</u>	<u>7,398,958</u>	<u>7,224,362</u>
Total revenues	<u>8,967,395</u>	<u>8,842,202</u>	<u>15,867,500</u>	<u>16,027,932</u>	<u>24,834,895</u>	<u>24,870,134</u>
Program Expenses:						
General government	1,261,416	1,284,075	-	-	1,261,416	1,284,075
Security of persons and property	3,750,196	3,858,130	-	-	3,750,196	3,858,130
Public health and welfare	134,715	160,129	-	-	134,715	160,129
Transportation	2,266,402	2,272,946	-	-	2,266,402	2,272,946
Community development	207,529	263,640	-	-	207,529	263,640
Leisure time activities	172,080	217,490	-	-	172,080	217,490
Interest and fiscal charges	76,020	102,505	-	-	76,020	102,505
Water	-	-	2,453,400	2,810,984	2,453,400	2,810,984
Sewer	-	-	2,316,588	2,518,925	2,316,588	2,518,925
Electric	-	-	10,817,523	10,670,785	10,817,523	10,670,785
Total program expenses	<u>7,868,358</u>	<u>8,158,915</u>	<u>15,587,511</u>	<u>16,000,694</u>	<u>23,455,869</u>	<u>24,159,609</u>
Change in net position before transfers	1,099,037	683,287	279,989	27,238	1,379,026	710,525
Transfers	(441,572)	(441,383)	441,572	441,383	-	-
Change in net position	657,465	241,904	721,561	468,621	1,379,026	710,525
Net Position, Beginning of Year*	28,081,079	N/A	25,899,998	N/A	53,981,077	N/A
Net Position, End of Year	<u>\$ 28,738,544</u>	<u>\$ 28,081,079</u>	<u>\$ 26,621,559</u>	<u>\$ 25,899,998</u>	<u>\$ 55,360,103</u>	<u>\$ 53,981,077</u>

\* As restated, see Note 16.

Certain adjustments were made to prior year amounts to conform to the current year presentation.

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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##### *Governmental Activities*

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$608,401 for governmental activities and \$70,620 for business-type activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 governmental activities statements report pension expense of \$625,995 and the 2015 business type activities report pension expense of \$63,211. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2015 program expenses under GASB 68	\$7,868,358	\$15,587,511
Pension expense under GASB 68	(625,995)	(63,211)
2015 contractually required contribution	514,071	177,085
Adjusted 2015 program expenses	<u>7,756,434</u>	<u>15,701,385</u>
Total 2014 program expenses under GASB 27	<u>8,158,915</u>	<u>16,000,694</u>
Decrease in program expenses not related to pension	<u>(\$402,481)</u>	<u>(\$299,309)</u>

Several revenue sources fund the City's governmental activities. These sources are grouped as either program or general revenues. Municipal 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 municipal income tax. Chapter 191 of the Codified Ordinances of the City of Amherst Ohio discusses the subject in depth.

Although the municipal income tax produces the largest share of revenue in the governmental activities, only approximately 20 percent of the residents in Amherst pay the 1½ percent income tax. Residents working outside of the city are forgiven 1 percent of the 1½ percent - "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 percent)"(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 percent "forgiveness" portion; and a voted ½ percent 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 fourteen 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 percent 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 percent to be allocated to the General Fund.

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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The municipal income tax has two basic weaknesses: 1) The small percentage of residents actually paying the full 1½ percent 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 has adversely affected our collection of the 1½ percent 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 and other taxes are also a significant source of revenues. Although this is a much more stable tax, property and other taxes constitute only about 16.64 percent of the general revenues for the City. In addition to the general property and other 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.

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. Grants and entitlements remained consistent with the prior year.

The capital grants and contributions remained consistent within the governmental activities. 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 along with 35 other 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.

Decreases to operating revenues within the Water and Sewer Fund are a result of decreases in usage during the current year.

## City of Amherst, Ohio

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

#### For the Year Ended December 31, 2015

**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
	2015	2015	2015	2015	2015	2015
General government	\$ 1,261,416	\$ 1,159,130	\$ -	\$ -	\$ 1,261,416	\$ 1,159,130
Security of persons and property	3,750,196	3,311,964	-	-	3,750,196	3,311,964
Public health and welfare	134,715	63,539	-	-	134,715	63,539
Transportation	2,266,402	1,453,903	-	-	2,266,402	1,453,903
Community development	207,529	191,109	-	-	207,529	191,109
Leisure time activities	172,080	41,948	-	-	172,080	41,948
Interest and fiscal charges	76,020	76,020	-	-	76,020	76,020
Water	-	-	2,453,400	(318,609)	2,453,400	(318,609)
Sewer	-	-	2,316,588	(164,456)	2,316,588	(164,456)
Electric	-	-	10,817,523	205,384	10,817,523	205,384
Total Cost of Services	<u>\$ 7,868,358</u>	<u>\$ 6,297,613</u>	<u>\$15,587,511</u>	<u>\$ (277,681)</u>	<u>\$23,455,869</u>	<u>\$ 6,019,932</u>

As shown in the table, most of the City's governmental activities rely on the general revenues, including property and other taxes and municipal income tax, to support the expenses, including daily operations, programs and interest, to run its 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 20. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$9,876,005 and expenditures and other financing uses of \$9,866,636. The most significant fund in terms of revenues and expenditures is the General Fund with a year-end fund balance of \$2,818,376. The fund balance of the General Fund increased \$278,378. General Fund revenues increased primarily due to an increase in municipal income taxes. Expenditures remained consistent with the prior year.

The Street Improvement Income Tax Fund had a year end fund balance of \$1,912,317 with revenues and other financing sources of \$1,323,939 and expenditures of \$1,616,325. There was a net decrease in fund balance of \$292,386. The decrease to expenditures is due to a decrease in capital outlay and transportation expenses.

#### 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 2015, the City amended its General Fund budget. 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 and other financing sources were more than final budgeted revenues by \$193,323 which was due to municipal income and other taxes, intergovernmental revenues, and charges for services actual revenues exceeding final budgeted revenues, which was partially offset by a decrease in property and other taxes.

## City of Amherst, Ohio

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

#### **For the Year Ended December 31, 2015**

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The General Fund's actual expenditures, encumbrances and other financing uses were \$549,780 less than final budgeted expenditures and other financing uses with the primary reasons being conservative budgeting by the City for 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. 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 \$1,003,827 which was a slight increase from the prior year.

#### **Capital Assets and Debt Administration**

##### *Capital Assets*

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,398,148	\$ 1,398,148	\$ 65,121	\$ 65,121	\$ 1,463,269	\$ 1,463,269
Construction in progress	282,329	268,719	-	-	282,329	268,719
Buildings	2,280,945	2,337,069	4,437,948	4,526,248	6,718,893	6,863,317
Improvements other than buildings	283,094	329,887	1,575,651	1,746,031	1,858,745	2,075,918
Machinery and equipment	1,158,077	1,270,950	4,036,614	4,275,084	5,194,691	5,546,034
Vehicles	533,586	549,709	235,708	255,202	769,294	804,911
Infrastructure:						
Roads	21,263,121	20,299,988	-	-	21,263,121	20,299,988
Water lines	-	-	2,188,788	2,231,777	2,188,788	2,231,777
Sewer lines	-	-	5,156,302	5,210,473	5,156,302	5,210,473
Electric lines	-	-	3,366,109	2,029,042	3,366,109	2,029,042
Total capital assets	<u>\$ 27,199,300</u>	<u>\$ 26,454,470</u>	<u>\$ 21,062,241</u>	<u>\$ 20,338,978</u>	<u>\$ 48,261,541</u>	<u>\$ 46,793,448</u>

Total capital assets for the City of Amherst as of December 31, 2015 were \$48,261,541. For additional information on capital assets, see Note 7 to the basic financial statements.

The Ohio Public Works Commission provides grants for various public works projects to local governments across the State of Ohio. These Issue II funds have been a continued source of resources for improvements for several years, and our current .25 percent 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, 2015

##### *Debt and Other Long Term Obligations*

On December 31, 2015, the City of Amherst had \$16,124,728 in bonds, loans, leases, net pension liabilities, severance, compensated absences and notes outstanding with \$1,168,514 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding, severance and compensated absences.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
General Obligation Bonds	\$ 1,565,000	\$ 1,845,000	\$ 1,195,000	\$ 1,455,000	\$ 2,760,000	\$ 3,300,000
Notes Payable	-	-	-	180,000	-	180,000
911 Improvement Loan	73,000	-	-	-	73,000	-
OWDA Loans	-	-	4,543,520	4,963,002	4,543,520	4,963,002
OPWC Loans	903,747	749,753	35,652	44,300	939,399	794,053
AMP-Ohio	-	-	557,063	550,307	557,063	550,307
Capital Leases	3,011	5,711	-	-	3,011	5,711
Net Pension Liabilities	6,086,137	5,825,355	578,958	565,880	6,665,095	6,391,235
Severance Liability	30,211	46,392	-	-	30,211	46,392
Compensated Absences	416,279	456,936	137,150	117,668	553,429	574,604
Total	<u>\$ 9,077,385</u>	<u>\$ 8,929,147</u>	<u>\$ 7,047,343</u>	<u>\$ 7,876,157</u>	<u>\$ 16,124,728</u>	<u>\$ 16,805,304</u>

\* As restated, see Note 16.

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 \$15,757,537 as of December 31, 2015. 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. Cloverdale Farms, Inc., which is now operating under the name Advance Pierre Foods Inc. is also a major manufacturer in the City. It has increased the number of employees from 101 to approximately 577 over the past several years. Amherst Hospital, another large employer in the community was experiencing some financial difficulties, reorganized its operation, and now seems to be stable as it was taken over by University Hospitals in late 2014 and has an employee count of 203.

## **City of Amherst, Ohio**

Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2015**

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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. Several companies have opened there. 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.

#### **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**

# City of Amherst, Ohio

## Statement of Net Position

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 7,362,678	\$ 8,394,859	\$ 15,757,537
Restricted assets:			
Customer deposits	-	242,775	242,775
Accounts receivable	43,376	3,761,782	3,805,158
Intergovernmental receivable	514,227	-	514,227
Accrued interest receivable	35,925	-	35,925
Prepaid items	67,941	30,024	97,965
Materials and supplies inventory	209,981	298,100	508,081
Income taxes receivable	1,984,445	-	1,984,445
Property taxes receivable	1,206,724	-	1,206,724
Recovered Purchase Power Receivable	-	557,063	557,063
Investment in joint venture	-	618,575	618,575
Non-depreciable capital assets	1,680,477	65,121	1,745,598
Depreciable capital assets, net	25,518,823	20,997,120	46,515,943
Total assets	<u>38,624,597</u>	<u>34,965,419</u>	<u>73,590,016</u>
<b>Deferred Outflows of Resources:</b>			
Pensions:			
Ohio Public Employees Retirement System	391,389	209,166	600,555
Ohio Police and Fire Pension Fund	414,670	-	414,670
Total deferred outflows of resources	<u>806,059</u>	<u>209,166</u>	<u>1,015,225</u>
<b>Liabilities:</b>			
Accounts payable	30,373	976,157	1,006,530
Contracts payable	-	148,136	148,136
Claims payable	107,395	-	107,395
Accrued wages and benefits payable	87,932	58,045	145,977
Intergovernmental payable	148,627	68,198	216,825
Accrued interest payable	3,768	2,201	5,969
Customer deposits	-	242,775	242,775
Long-term liabilities:			
Due within one year	438,263	730,251	1,168,514
Due in more than one year			
Net pension liability (see note 8)	6,086,137	578,958	6,665,095
Other amounts due in more than one year	2,552,985	5,738,134	8,291,119
Total liabilities	<u>9,455,480</u>	<u>8,542,855</u>	<u>17,998,335</u>
<b>Deferred inflows of resources:</b>			
Pensions:			
Ohio Public Employees Retirement System	48,800	10,171	58,971
Property taxes not levied to finance current year operations	1,187,832	-	1,187,832
Total deferred inflows of resources	<u>1,236,632</u>	<u>10,171</u>	<u>1,246,803</u>
<b>Net position:</b>			
Net investment in capital assets	24,654,542	15,139,933	39,794,475
Restricted for:			
Capital projects	2,628,512	-	2,628,512
Debt service	471,269	-	471,269
Street maintenance and repair	582,607	-	582,607
Planning commission	214,000	-	214,000
Park Trust	306,479	-	306,479
Cable television	640,732	-	640,732
Other purposes	340,909	-	340,909
Unrestricted	(1,100,506)	11,481,626	10,381,120
Total net position	<u>\$ 28,738,544</u>	<u>\$ 26,621,559</u>	<u>\$ 55,360,103</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Activities

### For the Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,261,416	\$ 74,731	\$ 27,555	\$ -
Security of persons and property	3,750,196	274,514	3,703	160,015
Public health and welfare	134,715	22,724	48,452	-
Transportation	2,266,402	214,341	535,172	62,986
Community development	207,529	13,584	2,836	-
Leisure time activities	172,080	37,214	92,918	-
Interest and fiscal charges	76,020	-	-	-
Total governmental activities	<u>7,868,358</u>	<u>637,108</u>	<u>710,636</u>	<u>223,001</u>
Business-type activities:				
Water	2,453,400	2,772,009	-	-
Sewer	2,316,588	2,481,044	-	-
Electric	10,817,523	10,612,139	-	-
Total business-type activities	<u>15,587,511</u>	<u>15,865,192</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 23,455,869</u>	<u>\$ 16,502,300</u>	<u>\$ 710,636</u>	<u>\$ 223,001</u>

General revenues and transfers:

Property taxes levied for:

  General purposes

  Debt service

  Capital projects

Income tax levied for:

  General purposes

  Capital projects and equipment

Other taxes - hotel

Kilowatt taxes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous income

Gain on sale of capital assets

Total general revenues

Transfers

Change in net position

Net position at beginning of year - as restated see Note 16

Net position at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (1,159,130)	\$ -	\$ (1,159,130)
(3,311,964)	-	(3,311,964)
(63,539)	-	(63,539)
(1,453,903)	-	(1,453,903)
(191,109)	-	(191,109)
(41,948)	-	(41,948)
(76,020)	-	(76,020)
(6,297,613)	-	(6,297,613)
-	318,609	318,609
-	164,456	164,456
-	(205,384)	(205,384)
-	277,681	277,681
(6,297,613)	277,681	(6,019,932)
773,328	-	773,328
175,351	-	175,351
240,109	-	240,109
3,808,844	-	3,808,844
1,227,654	-	1,227,654
41,781	-	41,781
441,572	-	441,572
528,279	-	528,279
98,770	-	98,770
53,427	620	54,047
7,535	1,688	9,223
7,396,650	2,308	7,398,958
(441,572)	441,572	-
657,465	721,561	1,379,026
28,081,079	25,899,998	53,981,077
\$ 28,738,544	\$ 26,621,559	\$ 55,360,103

# City of Amherst, Ohio

## Balance Sheet Governmental Funds

December 31, 2015

	General	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,081,319	\$ 1,518,782	\$ 3,207,400	\$ 6,807,501
Materials and supplies inventory	132,923	-	77,058	209,981
Accrued interest receivable	35,925	-	-	35,925
Accounts receivable	28,518	-	11,465	39,983
Intergovernmental receivable	155,887	-	358,340	514,227
Prepaid items	51,919	-	16,022	67,941
Income taxes receivable	1,250,200	734,245	-	1,984,445
Property taxes receivable	784,861	-	421,863	1,206,724
<b>Total assets</b>	<b>\$ 4,521,552</b>	<b>\$ 2,253,027</b>	<b>\$ 4,092,148</b>	<b>\$ 10,866,727</b>
<b>Liabilities:</b>				
Accounts payable	\$ 23,042	\$ 1,260	\$ 6,071	\$ 30,373
Accrued wages and benefits payable	73,349	-	14,583	87,932
Intergovernmental payable	127,631	-	20,996	148,627
<b>Total liabilities</b>	<b>224,022</b>	<b>1,260</b>	<b>41,650</b>	<b>266,932</b>
<b>Deferred Inflows of Resources:</b>				
Property taxes not levied to finance current year operations	774,755	-	413,077	1,187,832
Unavailable revenue - income taxes	577,981	339,450	-	917,431
Unavailable revenue - delinquent taxes	10,106	-	5,727	15,833
Unavailable revenue - grants	116,312	-	269,563	385,875
<b>Total deferred inflows of resources</b>	<b>1,479,154</b>	<b>339,450</b>	<b>688,367</b>	<b>2,506,971</b>
<b>Fund balances:</b>				
Nonspendable	184,842	-	93,080	277,922
Restricted	-	1,912,317	3,220,051	5,132,368
Committed	-	-	49,000	49,000
Assigned	52,459	-	-	52,459
Unassigned	2,581,075	-	-	2,581,075
<b>Total fund balances</b>	<b>2,818,376</b>	<b>1,912,317</b>	<b>3,362,131</b>	<b>8,092,824</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,521,552</b>	<b>\$ 2,253,027</b>	<b>\$ 4,092,148</b>	<b>\$ 10,866,727</b>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

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

**December 31, 2015**

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Total Governmental Fund Balances \$ 8,092,824

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 27,199,300

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

Delinquent property taxes	15,833	
Municipal income taxes	917,431	
Intergovernmental	385,875	
Total	1,319,139	1,319,139

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

Deferred outflows of resources related to pensions	806,059	
Deferred inflows of resources related to pensions	(48,800)	
Net pension liability	(6,086,137)	
Total	(5,328,878)	(5,328,878)

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 Position. 451,175

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (3,768)

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

General obligation bonds and loans	(1,638,000)	
OPWC loans	(903,747)	
Capital leases	(3,011)	
Compensated absences and severance	(446,490)	
Total	(2,991,248)	(2,991,248)

*Net Position of Governmental Activities* \$28,738,544

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, 2015**

	General	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and other taxes	\$ 777,827	\$ -	\$ 459,790	\$ 1,237,617
Municipal income taxes	3,964,279	1,318,939	-	5,283,218
Kilowatt taxes	441,572	-	-	441,572
Intergovernmental	456,423	-	983,597	1,440,020
Charges for services	145,256	-	184,810	330,066
Fees, licenses and permits	164,520	-	99,806	264,326
Fines and forfeitures	41,125	-	1,591	42,716
Investment earnings	97,931	-	839	98,770
Contributions and donations	-	-	4,615	4,615
Miscellaneous	13,635	-	39,792	53,427
<b>Total revenues</b>	<b>6,102,568</b>	<b>1,318,939</b>	<b>1,774,840</b>	<b>9,196,347</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,040,949	-	44,693	1,085,642
Security of persons and property	3,502,089	-	46,029	3,548,118
Public health and welfare	55,421	-	80,435	135,856
Transportation	-	17,380	900,297	917,677
Community development	205,820	-	10,831	216,651
Leisure time activities	-	-	156,258	156,258
Capital outlay	189,759	1,464,959	910,299	2,565,017
<b>Debt service:</b>				
Principal retirement	2,700	104,341	225,967	333,008
Interest and fiscal charges	157	29,645	47,035	76,837
<b>Total expenditures</b>	<b>4,996,895</b>	<b>1,616,325</b>	<b>2,421,844</b>	<b>9,035,064</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,105,673</b>	<b>(297,386)</b>	<b>(647,004)</b>	<b>161,283</b>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	4,277	-	8,079	12,356
Issuance of loans	-	-	73,000	73,000
Issuance of OPWC loan	-	5,000	199,302	204,302
Transfers in	-	-	390,000	390,000
Transfers out	(831,572)	-	-	(831,572)
<b>Total other financing sources (uses)</b>	<b>(827,295)</b>	<b>5,000</b>	<b>670,381</b>	<b>(151,914)</b>
<b>Net change in fund balances</b>	<b>278,378</b>	<b>(292,386)</b>	<b>23,377</b>	<b>9,369</b>
<b>Fund balances at beginning of year</b>	<b>2,539,998</b>	<b>2,204,703</b>	<b>3,338,754</b>	<b>8,083,455</b>
<b>Fund balances at end of year</b>	<b>\$ 2,818,376</b>	<b>\$ 1,912,317</b>	<b>\$ 3,362,131</b>	<b>\$ 8,092,824</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, 2015

Net Change in Fund Balance - Total Governmental Funds		\$ 9,369
<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>		
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 capital asset additions exceeded depreciation in the current period.		
Capital asset additions	2,252,043	
Depreciation	<u>(1,502,392)</u>	
Total		749,651
Governmental funds report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amount of the gain on the disposal of capital assets and the proceeds received.		
Proceeds from sale of capital assets	(12,356)	
Gain on disposal of capital assets	<u>7,535</u>	
Total		(4,821)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent property taxes	(7,048)	
Municipal income taxes	(246,720)	
Intergovernmental	<u>17,281</u>	
Total		(236,487)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		514,071
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(625,995)
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 Position.		
		330,308
Repayment of capital leases obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities.		
		2,700
Proceeds from loans are recorded as other financing sources in the governmental funds, but the proceeds are recorded as a liability and therefore are not recorded in the statement of activities.		
		(277,302)
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 and severance	56,838	
Interest on bonds	<u>817</u>	
Total		57,655
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.		
		<u>138,316</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$657,465</u></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 Budgetary Basis) and Actual

### General Fund

#### For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and other taxes	\$ 903,160	\$ 903,160	\$ 777,827	\$ (125,333)
Municipal income taxes	3,720,000	3,720,000	3,819,873	99,873
Kilowatt taxes	460,000	460,000	441,572	(18,428)
Intergovernmental	331,737	331,737	455,606	123,869
Charges for services	89,500	89,500	150,237	60,737
Fines and forfeitures	40,000	40,000	40,007	7
Fees, licenses and permits	141,000	141,000	164,520	23,520
Interest	55,000	55,000	82,694	27,694
Miscellaneous	20,000	20,000	19,107	(893)
<b>Total revenues</b>	<b>5,760,397</b>	<b>5,760,397</b>	<b>5,951,443</b>	<b>191,046</b>
<b>Expenditures:</b>				
<b>Current operations and maintenance:</b>				
General government	1,206,392	1,065,698	904,688	161,010
Security of persons and property	3,742,829	3,756,581	3,580,206	176,375
Public health and welfare	64,100	64,100	55,421	8,679
Community development	247,200	249,330	198,944	50,386
Capital outlay	61,421	191,233	189,759	1,474
<b>Total expenditures</b>	<b>5,321,942</b>	<b>5,326,942</b>	<b>4,929,018</b>	<b>397,924</b>
<b>Excess of revenues over (under) expenditures</b>	<b>438,455</b>	<b>433,455</b>	<b>1,022,425</b>	<b>588,970</b>
<b>Other financing sources (uses):</b>				
Proceeds from the sale of capital assets	2,000	2,000	4,277	2,277
Transfers out	(1,200,000)	(1,200,000)	(1,048,144)	151,856
<b>Total other financing sources (uses)</b>	<b>(1,198,000)</b>	<b>(1,198,000)</b>	<b>(1,043,867)</b>	<b>154,133</b>
<b>Net change in fund balance</b>	<b>(759,545)</b>	<b>(764,545)</b>	<b>(21,442)</b>	<b>743,103</b>
<b>Fund balance at beginning of year</b>	<b>865,227</b>	<b>865,227</b>	<b>865,227</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>160,042</b>	<b>160,042</b>	<b>160,042</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 265,724</b>	<b>\$ 260,724</b>	<b>\$ 1,003,827</b>	<b>\$ 743,103</b>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Fund Net Position Proprietary Funds

**December 31, 2015**

	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	\$ 1,222,690	\$ 2,631,279	\$ 4,540,890	\$ 8,394,859	\$ 555,177
<b>Restricted assets:</b>					
Customer Deposits	64,517	26,971	151,287	242,775	-
Accounts receivable	643,055	576,868	2,541,859	3,761,782	3,393
Prepaid items	5,406	11,369	13,249	30,024	-
Materials and supplies inventory	29,130	151,405	117,565	298,100	-
<b>Total current assets</b>	<b>1,964,798</b>	<b>3,397,892</b>	<b>7,364,850</b>	<b>12,727,540</b>	<b>558,570</b>
<b>Noncurrent assets:</b>					
Recovered Purchase Power Receivable	-	-	557,063	557,063	-
Investment in joint venture	-	-	618,575	618,575	-
Non-depreciable capital assets	45,000	13,121	7,000	65,121	-
Depreciable capital assets, net	3,884,605	12,416,039	4,696,476	20,997,120	-
<b>Total Noncurrent Assets</b>	<b>3,929,605</b>	<b>12,429,160</b>	<b>5,879,114</b>	<b>22,237,879</b>	<b>-</b>
<b>Total assets</b>	<b>5,894,403</b>	<b>15,827,052</b>	<b>13,243,964</b>	<b>34,965,419</b>	<b>558,570</b>
<b>Deferred Outflows of Resources</b>					
<b>Pensions:</b>					
Ohio Public Employees Retirement System	43,020	85,051	81,095	209,166	-
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	201,446	40,315	734,396	976,157	-
Claims payable	-	-	-	-	107,395
Accrued wages and benefits payable	12,164	23,872	22,009	58,045	-
Contracts payable	-	5,781	142,355	148,136	-
Intergovernmental payable	16,101	26,488	25,609	68,198	-
Accrued interest payable	1,303	338	560	2,201	-
Compensated absences payable	2,505	5,142	9,023	16,670	-
General obligation bonds payable	120,000	55,000	95,000	270,000	-
OPWC loans payable	-	8,648	-	8,648	-
OWDA loans payable	-	434,933	-	434,933	-
<b>Payable from restricted assets:</b>					
Customer deposits	64,517	26,971	151,287	242,775	-
<b>Total current liabilities</b>	<b>418,036</b>	<b>627,488</b>	<b>1,180,239</b>	<b>2,225,763</b>	<b>107,395</b>
<b>Long-term liabilities (net of current portion):</b>					
Compensated absences payable	18,102	37,163	65,215	120,480	-
OWDA loans payable	-	4,108,587	-	4,108,587	-
General obligation bonds payable	610,000	120,000	195,000	925,000	-
Net pension liability	119,077	235,415	224,466	578,958	-
AMP-Ohio payable	-	-	557,063	557,063	-
OPWC loans payable	-	27,004	-	27,004	-
<b>Total long-term liabilities</b>	<b>747,179</b>	<b>4,528,169</b>	<b>1,041,744</b>	<b>6,317,092</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,165,215</b>	<b>5,155,657</b>	<b>2,221,983</b>	<b>8,542,855</b>	<b>107,395</b>
<b>Deferred Inflows of Resources</b>					
<b>Pensions:</b>					
Ohio Public Employees Retirement System	2,092	4,136	3,943	10,171	-
<b>Net position:</b>					
Net investment in capital assets	3,199,605	7,669,207	4,271,121	15,139,933	-
Unrestricted	1,570,511	3,083,103	6,828,012	11,481,626	451,175
<b>Total net position</b>	<b>\$ 4,770,116</b>	<b>\$ 10,752,310</b>	<b>\$ 11,099,133</b>	<b>\$ 26,621,559</b>	<b>\$ 451,175</b>

See accompanying notes to the basic financial statements.

## City of Amherst, Ohio

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

**For the Year Ended December 31, 2015**

	Business-Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Operating revenues:					
Charges for services	\$ 2,772,009	\$ 2,481,044	\$ 10,612,139	\$ 15,865,192	\$ 974,464
Total operating revenues	<u>2,772,009</u>	<u>2,481,044</u>	<u>10,612,139</u>	<u>15,865,192</u>	<u>974,464</u>
Operating expenses:					
Personal services	559,545	1,048,450	1,176,083	2,784,078	-
Materials and supplies	131,336	167,216	142,420	440,972	-
Contract services	1,531,190	307,237	9,221,030	11,059,457	-
Depreciation	195,627	605,970	141,095	942,692	-
Claims	-	-	-	-	836,148
Total operating expenses	<u>2,417,698</u>	<u>2,128,873</u>	<u>10,680,628</u>	<u>15,227,199</u>	<u>836,148</u>
Operating income (loss)	354,311	352,171	(68,489)	637,993	138,316
Non-operating revenues (expenses):					
Loss on investment in joint venture	-	-	(118,177)	(118,177)	-
Interest and fiscal charges	(35,702)	(187,715)	(18,718)	(242,135)	-
Gain on sale of capital assets	1,064	-	624	1,688	-
Other non-operating revenues	-	620	-	620	-
Total non-operating revenues (expenses)	<u>(34,638)</u>	<u>(187,095)</u>	<u>(136,271)</u>	<u>(358,004)</u>	<u>-</u>
Change in net position before transfers	319,673	165,076	(204,760)	279,989	138,316
Transfers in	-	-	441,572	441,572	-
Change in net position	319,673	165,076	236,812	721,561	138,316
Net position beginning of year - as restated - see Note 16	<u>4,450,443</u>	<u>10,587,234</u>	<u>10,862,321</u>	<u>25,899,998</u>	<u>312,859</u>
Net position end of year	<u>\$ 4,770,116</u>	<u>\$ 10,752,310</u>	<u>\$ 11,099,133</u>	<u>\$ 26,621,559</u>	<u>\$ 451,175</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Cash Flows Proprietary Funds

### For the Year Ended December 31, 2015

	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	\$ 2,748,201	\$ 2,504,836	\$ 10,507,211	\$ 15,760,248	\$ -
Customer deposits received	8,340	4,060	24,389	36,789	-
Cash received from transactions with other funds	-	-	-	-	984,860
Cash payments to suppliers for goods and services	(1,709,635)	(456,069)	(9,149,000)	(11,314,704)	-
Cash payments for claims	-	-	-	-	(856,029)
Cash payments for employee services and benefits	(579,598)	(1,086,800)	(1,205,775)	(2,872,173)	-
Net cash provided by operating activities	<u>467,308</u>	<u>966,027</u>	<u>176,825</u>	<u>1,610,160</u>	<u>128,831</u>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from sale of capital assets	1,064	-	624	1,688	-
Other non-operating revenues	-	620	-	620	-
Acquisition of capital assets	(27,060)	(212,598)	(1,426,297)	(1,665,955)	-
Principal paid	(120,000)	(483,130)	(265,000)	(868,130)	-
Interest paid	(35,925)	(187,821)	(18,883)	(242,629)	-
Net cash used for capital and related financing activities	<u>(181,921)</u>	<u>(882,929)</u>	<u>(1,709,556)</u>	<u>(2,774,406)</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>					
Transfers in	-	-	441,572	441,572	-
Net cash provided by non-capital financing activities	-	-	441,572	441,572	-
Net increase (decrease) in cash and cash equivalents	285,387	83,098	(1,091,159)	(722,674)	128,831
Cash and cash equivalents, beginning of year	<u>1,001,820</u>	<u>2,575,152</u>	<u>5,783,336</u>	<u>9,360,308</u>	<u>426,346</u>
Cash and cash equivalents, end of year	<u>\$ 1,287,207</u>	<u>\$ 2,658,250</u>	<u>\$ 4,692,177</u>	<u>\$ 8,637,634</u>	<u>\$ 555,177</u>

(Continued)

# City of Amherst, Ohio

## Statement of Cash Flows (continued) Proprietary Funds

### For the Year Ended December 31, 2015

	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)	\$ 354,311	\$ 352,171	\$ (68,489)	\$ 637,993	\$ 138,316
Adjustments:					
Depreciation	195,627	605,970	141,095	942,692	-
Pension expense not affecting cash	(23,713)	(46,882)	(44,702)	(115,297)	-
(Increase)/decrease in assets:					
Accounts receivable	(23,808)	23,792	(104,928)	(104,944)	10,396
Prepaid items	(325)	(9)	(205)	(539)	-
Materials and supplies inventory	11,768	261	52,004	64,033	-
Increase/(decrease) in liabilities:					
Accounts payable	(52,032)	18,870	52,677	19,515	-
Claims payable	-	-	-	-	(19,881)
Customer deposits held and due to others	(673)	(3,066)	(8,071)	(11,810)	-
Contracts payable	-	5,781	142,355	148,136	-
Accrued wages and benefits payable	1,289	4,409	(34)	5,664	-
Intergovernmental payable	3,045	1,317	873	5,235	-
Compensated absences payable	1,819	3,413	14,250	19,482	-
Net cash provided by operating activities	<u>\$ 467,308</u>	<u>\$ 966,027</u>	<u>\$ 176,825</u>	<u>\$ 1,610,160</u>	<u>\$ 128,831</u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Fiduciary Net Position Fiduciary Funds

**December 31, 2015**

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	Private Purpose Trust Cemetery	Agency
Assets:		
Equity in pooled cash and investments	\$ 4,194	\$ 25,969
Total Assets	<u>\$ 4,194</u>	<u>\$ 25,969</u>
Liabilities:		
Deposits held and due to others		\$ 25,969
Total liabilities		<u>\$ 25,969</u>
Net position:		
Held in trust for cemetery	<u>\$ 4,194</u>	

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

## Statement of Changes in Fiduciary Net Position Fiduciary Fund

**For the Year Ended December 31, 2015**

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	Private Purpose Trust <u>Cemetery</u>
Additions:	
Interest	\$ 19
Deductions:	
Payments in accordance with trust agreement	<u>-</u>
Change in net position	19
Net position beginning of year	<u>4,175</u>
Net position end of year	<u><u>\$ 4,194</u></u>

See accompanying notes to the basic financial statements.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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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. 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 Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

#### *Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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, 2015**

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

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

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues 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 plus deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

##### *General Fund*

The General Fund accounts for all financial resources 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 Improvement Income Tax Capital Projects Fund*

This fund is used to account for the .5 % Municipal 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, 2015**

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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 position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

#### *Enterprise Funds*

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following 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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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, 2015**

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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, liabilities and deferred inflows/outflows of resources associated with the operation of the City are included on the Statement of Net Position, except for fiduciary funds. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

#### *Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows 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, all liabilities, and deferred inflows/outflows associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 unavailable revenue, and in the presentation of expenses versus expenditures, the recording of deferred inflows and outflows of resources related to net pension liabilities, and the recording of net pension liabilities.

#### *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. Measurable means the amount of the transaction can be determined and 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, 2015**

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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.

### *Deferred Outflows and Deferred Inflows of Resources*

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The City recorded a deferred outflow of resources as of December 31, 2015 for pensions. The deferred outflows of resources related to the pension are explained in Note 8. The City reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the City these amounts consist of income taxes which are not collected in the available period, intergovernmental receivables which are not collected in the available period, and pensions. Property taxes for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance fiscal year 2016 operations, have also been recorded as deferred inflows of resources. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is partially due to income taxes and grants and entitlements not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Deferred inflows of resources related to pension are only reported on the Statement of Net Position. (See Note 8)

### *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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### ***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.

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.

### ***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 2015, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Banks, and negotiable certificates of deposit.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015.

The City also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2015 amounted to \$97,931 and \$839 in nonmajor governmental funds.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### ***F. Cash and Cash Equivalents (Continued)***

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, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

### ***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 Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market 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 and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### ***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 Position, 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.

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 and pension 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

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

***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, City Council has provided the City Auditor with the authority to record assigned amounts which is primarily done through the issuance of purchase orders.

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

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

### ***O. Net Position***

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred inflows/outflows related to the acquisition, construction, or improvement of those assets. Net position is 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 position 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 position is available.

Of the City's \$5,184,508 in restricted net position, none 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### ***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.

### ***S. Pensions***

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

## **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 Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## **Note 3: Budgetary Basis of Accounting (Continued)**

	Net Change in Fund Balance
	<u>General</u>
GAAP Basis	\$ 278,378
Revenue Accruals	1,988,460
Expenditure Accruals	(2,194,413)
Prospective Difference:	
Activity of Funds Reclassified for	
GAAP Reporting Purposes	(36,354)
Encumbrances	<u>(57,513)</u>
Budgetary Basis	<u>\$ (21,442)</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.

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 deposits must be evidenced by time certificates of deposits maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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;

# City of Amherst, Ohio

## Notes to the Basic Financial Statements

### For the Year Ended December 31, 2015

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

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 (STAR Ohio);
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 forty % 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.

#### **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 City'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 does not have a deposit policy for custodial credit risk beyond the requirements of State statute.

At December 31, 2015, \$420,900 of the City's bank balance of \$9,974,078 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## Note 4: Deposits and Investments (Continued)

### Investments

As of December 31, 2015, the City had the following investment and maturity:

	Carrying/Fair Value	Weighted Average Maturity		
		<1 Year	1 - 2 Years	3-5 Years
STAR Ohio	\$ 215,721	\$ 215,721	\$ -	\$ -
Negotiable Certificates of Deposit	3,002,456	-	1,039,622	1,962,834
Federal National Mortgage Association	250,053	-	-	250,053
Federal Farm Credit Bank	497,440	-	-	497,440
Federal Home Loan Mortgage Corporation	2,245,062	-	-	2,245,062
Total Investments	<u>\$ 6,210,732</u>	<u>\$ 215,721</u>	<u>\$ 1,039,622</u>	<u>\$ 4,955,389</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. Investments in STAR Ohio were rated AAAM by Standard and Poor's. Investments in Federal Home Loan Mortgage Association, Federal National Mortgage Association, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's and Aaa by Moody's. The City's investments in individual marketable certificates of deposit are fully insured by the Federal Deposit Insurance Corporation.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2015, is 49 days and carries a rating of AAAM by Standard and Poor's.

The City also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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 3.5% in STAR Ohio, 48.3% in negotiable certificates of deposit, 4% in Federal National Mortgage Association, 8% in Federal Farm Credit Bank, and 36.2% in Federal Home Loan Mortgage Corporation.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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

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.

### Note 5: Receivables

Receivables at December 31, 2015, consisted primarily of municipal income taxes, property taxes, accrued interest, accounts (billings for user charged services, including unbilled utility services), intergovernmental receivables arising from grants, entitlements and shared revenues, and recovered purchase power receivable.

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, except for recovered purchase power receivable (see Note 14).

#### A. Property Tax

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

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 % of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

The full tax rate for all City operations for the year ended December 31, 2015, was \$5.67 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 298,720,770
Public Utility	2,284,920
Tangible Personal	47,600
	<u>\$ 301,053,290</u>

Real property and Public Utility 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.

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 property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2015 and for which there is an enforceable legal claim. In the General, General Obligation Bond Retirement and the Fire Apparatus Levy Funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2015 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue, while the remainder of the receivable is unavailable.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## Note 5: Receivables (Continued)

### 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:

	Amounts
Local government funds	\$ 94,186
Homestead and rollback	89,167
Liquor and beer permits	2,907
Other	37,484
Motor Vehicle and Gas Excise Tax	284,739
Permissive Tax	5,744
	<u>\$ 514,227</u>

## Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2015 consisted of the following:

Fund Type	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 831,572
Electric	441,572	-
Other Non-major Governmental Funds:		
General Obligation Bond Retirement	75,000	-
Street Maintenance Repair	240,000	-
Office on Aging	75,000	-
Total Other Non-major Governmental Funds	<u>390,000</u>	<u>-</u>
Total All Funds	<u>\$ 831,572</u>	<u>\$ 831,572</u>

The General Fund transfers to the Non-major governmental funds were made to provide additional resources for current operations, and to meet matching fund requirements for some grants. The transfer from the General Fund to the Electric was made for the kilowatt tax from electric sales. These transfers comply with all applicable laws.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

## Note 7: Capital Assets

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,398,148	\$ -	\$ -	\$ 1,398,148
Construction In Progress	268,719	282,329	(268,719)	282,329
Total Capital assets, not being depreciated	<u>1,666,867</u>	<u>282,329</u>	<u>(268,719)</u>	<u>1,680,477</u>
Capital assets, being depreciated:				
Buildings	4,761,542	71,290	-	4,832,832
Improvements other than buildings	1,146,156	6,205	-	1,152,361
Machinery and equipment	3,762,376	41,798	(7,687)	3,796,487
Vehicles	2,966,719	174,796	(79,171)	3,062,344
Infrastructure:				
Roads	<u>30,305,715</u>	<u>1,944,344</u>	<u>-</u>	<u>32,250,059</u>
Total capital assets, being depreciated	<u>42,942,508</u>	<u>2,238,433</u>	<u>(86,858)</u>	<u>45,094,083</u>
Less accumulated depreciation:				
Buildings	(2,424,473)	(127,414)	-	(2,551,887)
Improvements other than buildings	(816,269)	(52,998)	-	(869,267)
Machinery and equipment	(2,491,426)	(154,671)	7,687	(2,638,410)
Vehicles	(2,417,010)	(186,098)	74,350	(2,528,758)
Infrastructure:				
Roads	<u>(10,005,727)</u>	<u>(981,211)</u>	<u>-</u>	<u>(10,986,938)</u>
Total accumulated depreciation	<u>(18,154,905)</u>	<u>(1,502,392)</u>	<u>82,037</u>	<u>(19,575,260)</u>
Total capital assets, being depreciated, net	<u>24,787,603</u>	<u>736,041</u>	<u>(4,821)</u>	<u>25,518,823</u>
Total governmental capital assets, net	<u>\$ 26,454,470</u>	<u>\$ 1,018,370</u>	<u>\$ (273,540)</u>	<u>\$ 27,199,300</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 65,121	\$ -	\$ -	\$ 65,121
Total capital assets, not being depreciated	<u>65,121</u>	<u>-</u>	<u>-</u>	<u>65,121</u>
Capital assets, being depreciated:				
Buildings	6,959,576	53,002	-	7,012,578
Improvements other than buildings	3,445,469	-	-	3,445,469
Machinery and equipment	8,828,737	72,825	-	8,901,562
Vehicles	883,711	33,544	(30,977)	886,278
Infrastructure:				
Water lines	4,355,995	19,266	-	4,375,261
Sewer lines	9,133,507	101,741	-	9,235,248
Electric lines	2,710,895	1,385,577	-	4,096,472
Total capital assets, being depreciated	<u>36,317,890</u>	<u>1,665,955</u>	<u>(30,977)</u>	<u>37,952,868</u>
Less accumulated depreciation:				
Buildings	(2,433,328)	(141,302)	-	(2,574,630)
Improvements other than buildings	(1,699,438)	(170,380)	-	(1,869,818)
Machinery and equipment	(4,553,653)	(311,295)	-	(4,864,948)
Vehicles	(628,509)	(53,038)	30,977	(650,570)
Infrastructure:				
Water lines	(2,124,218)	(62,255)	-	(2,186,473)
Sewer lines	(3,923,034)	(155,912)	-	(4,078,946)
Electric lines	(681,853)	(48,510)	-	(730,363)
Total accumulated depreciation	<u>(16,044,033)</u>	<u>(942,692)</u>	<u>30,977</u>	<u>(16,955,748)</u>
Total capital assets, being depreciated, net	<u>20,273,857</u>	<u>723,263</u>	<u>-</u>	<u>20,997,120</u>
Total business-type capital assets, net	<u>\$ 20,338,978</u>	<u>\$ 723,263</u>	<u>\$ -</u>	<u>\$ 21,062,241</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

Depreciation expense was charged to governmental activities as follows:

General government	\$ 210,247
Security of persons and property	199,062
Public health and welfare	3,693
Transportation	1,068,019
Leisure time activities	<u>21,371</u>
Total depreciation expense	<u><u>\$ 1,502,392</u></u>

## **Note 8: Pension Plans**

### *Net Pension Liability*

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

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

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

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

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### ***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police officers, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

**Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)**

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

***Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)***

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2015 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2015 Actual Contribution Rates</b>			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The City's contractually required contribution was \$421,451 for 2015. Of this amount, \$37,845 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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### Note 8: Pension Plans (Continued)

#### *Plan Description – Ohio Police & Fire Pension Fund (OPF) (continued)*

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

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

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

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

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

	<u>Police</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u><u>19.50 %</u></u>
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Note: No disclosures have been made for fire pension since the City only has volunteer fire.

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$272,083 for 2015. Of this amount \$26,051 is reported as an intergovernmental payable.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## Note 8: Pension Plans (Continued)

### *Plan Description – Ohio Police & Fire Pension Fund (OPF) (continued)*

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,356,730	\$3,308,365	\$6,665,095
Proportion of the Net Pension Liability	0.027831%	0.0638630%	
Pension Expense	\$366,490	\$322,716	\$689,206

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$179,104	\$142,587	\$321,691
City contributions subsequent to the measurement date	421,451	272,083	693,534
Total Deferred Outflows of Resources	<u>\$600,555</u>	<u>\$414,670</u>	<u>\$1,015,225</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$58,971</u>	<u>\$0</u>	<u>\$58,971</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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### Note 8: Pension Plans (Continued)

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

\$693,534 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	(\$30,033)	(\$35,647)	(\$65,680)
2017	(30,033)	(35,647)	(65,680)
2018	(30,033)	(35,647)	(65,680)
2019	<u>(30,034)</u>	<u>(35,646)</u>	<u>(65,680)</u>
Total	<u>(\$120,133)</u>	<u>(\$142,587)</u>	<u>(\$262,720)</u>

#### *Actuarial Assumptions - OPERS*

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

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

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

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

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### *Actuarial Assumptions – OPERS (continued)*

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

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

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

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

### *Discount Rate*

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## Note 8: Pension Plans (Continued)

### *Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,175,421	\$3,356,730	\$982,713

### *Actuarial Assumptions – OPF*

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

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

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

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

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## Note 8: Pension Plans (Continued)

### *Actuarial Assumptions – OPF*

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

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

\* levered 2x

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

### *Discount Rate*

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### *Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$4,575,969	\$3,308,365	\$2,235,089

### *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, 2015, the City's volunteer firefighters were covered by Social Security. The City's liability is 6.2% of wages paid.

## **Note 9: Postemployment Benefits**

### **Ohio Public Employees Retirement System (OPERS)**

**Plan Description** - OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### **Ohio Public Employees Retirement System (OPERS) (continued)**

**Funding Policy** - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's actual contributions for 2015, 2014, and 2013, which were used to fund OPEB were \$70,217, \$70,798, and \$34,343, respectively, which were equal to the required contributions for each year.

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

**Plan Description** - 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.

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 statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in 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. That report is also available on OP&F's website [www.op-f.org](http://www.op-f.org).

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

### **Ohio Police and Fire Pension Fund (continued)**

**Funding Policy** - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police, for 2015, 2014, and 2013, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police 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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 2014 through December 31, 2015. 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 City's contributions for 2015 that were used to fund postemployment benefits were \$7,260 for Police. For 2014 and 2013, the contributions were \$7,105 and \$50,865, respectively, which were equal to the required contributions for each year.

## **Note 10: Employee Benefits**

### **A. 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.

### **B. Severance**

Per City Ordinance, certain employees with retirement payouts exceeding defined balance amounts are to be paid over a three year period. This liability is reported as severance liability within these financial statements.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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### 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 2015, 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.	\$58,893,771
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. During 2015, the City evaluated its coverage and therefore increased the amount of 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.

#### C. Medical

The City has elected to provide employees' major medical, hospitalization, and prescription 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. All employees receive dental, vision, hearing and life coverage through AFSME. The City purchases a stop-loss insurance policy premium cost of \$310,381 in aggregate for all employees.

The claims liability of \$107,395 reported in the self-insurance fund at December 31, 2015, 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

## Note 11: Risk Management (Continued)

### C. Medical (Continued)

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2013	\$ 106,540	\$ 1,106,107	\$ 1,081,785	\$ 130,862
2014	130,862	1,010,345	1,013,931	127,276
2015	127,276	836,148	856,029	107,395

## Note 12: Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<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
Water Capital Purpose Bonds	1999	4.55%	1,165,000	12/1/2018
Sewer Capital Purpose Bonds	1999	4.55%	835,000	12/1/2018
Electric Capital Purpose Bonds	1999	4.55%	1,455,000	12/1/2018
<b>Loans</b>				
911 Loan	2015	0.00%	73,000	7/1/2020
<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
South Downtown Storm Sewer Interceptor	2013	0.00%	300,000	1/1/2034
OPWC - Cooper Foster Park Road	2014	0.00%	75,000	7/1/2038
OPWC - Cooper Foster Park Road	2015	0.00%	300,000	7/1/2036
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, 2015

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

A schedule of changes in bonds and other long-term obligations of the City during 2015 follows:

	Amount Outstanding 12/31/2014*	Additions	Reductions	Amount Outstanding 12/31/2015	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Police and Jail Facility	\$ 740,000	\$ -	\$ 175,000	\$ 565,000	\$ 180,000
Capital Purpose	150,000	-	35,000	115,000	35,000
Various Purpose	955,000	-	70,000	885,000	75,000
Total General Obligation Bonds	<u>1,845,000</u>	<u>-</u>	<u>280,000</u>	<u>1,565,000</u>	<u>290,000</u>
OPWC loans	749,753	204,302	50,308	903,747	50,308
Capital Lease	5,711	-	2,700	3,011	2,550
Net Pension Liabilities	5,825,355	260,782	-	6,086,137	-
911 Improvement Loan	-	73,000	-	73,000	14,600
Severance Liability	46,392	30,211	46,392	30,211	30,211
Compensated Absences	456,936	304,374	345,031	416,279	50,594
Total Governmental Activities	<u>\$ 8,929,147</u>	<u>\$ 872,669</u>	<u>\$ 724,431</u>	<u>\$ 9,077,385</u>	<u>\$ 438,263</u>
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 330,000	\$ -	\$ 80,000	\$ 250,000	\$ 80,000
Water Various Purpose Bonds	520,000	-	40,000	480,000	40,000
Sewer Capital Purpose Bonds	230,000	-	55,000	175,000	55,000
Electric Capital Purpose Bonds	375,000	-	85,000	290,000	95,000
Total General Obligation Bonds	<u>1,455,000</u>	<u>-</u>	<u>260,000</u>	<u>1,195,000</u>	<u>270,000</u>
AMP-Ohio Electric Systems Improvement	180,000	-	180,000	-	-
AMP-Ohio payable	550,307	14,772	8,016	557,063	-
OPWC loans	44,300	-	8,648	35,652	8,648
OWDA - WWTP Upgrade	4,963,002	-	419,482	4,543,520	434,933
Net Pension Liability	565,881	13,077	-	578,958	-
Compensated Absences	117,668	205,160	185,678	137,150	16,670
Total Business-Type Activities	<u>\$ 7,876,158</u>	<u>\$ 233,009</u>	<u>\$ 1,061,824</u>	<u>\$ 7,047,343</u>	<u>\$ 730,251</u>

\* As restated, see Note 16.

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 are being 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.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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

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 62.3% of net revenues. The total principal and interest remaining to be paid on the loans is \$5,371,546. Principal and interest paid for the current year and total customer net revenues were \$596,838 and \$958,141, respectively.

Compensated absences liability 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 governmental severance liability was paid from the Street Fund, while the business-type severance liability will be paid from the Sewer Funds.

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

The City's overall legal debt margin was \$29,141,848 at December 31, 2015. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

	Governmental Activities				Totals	
	General Obligation Bonds		OPWC	911	Principal	Interest
	Principal	Interest	Loans*	Loan		
2016	\$ 290,000	\$ 64,850	\$ 50,308	\$ 14,600	\$ 354,908	\$ 64,850
2017	305,000	52,609	50,308	14,600	369,908	52,609
2018	315,000	39,711	50,308	14,600	379,908	39,711
2019	85,000	26,405	50,308	14,600	149,908	26,405
2020	85,000	23,005	46,446	14,600	146,046	23,005
2021-2025	485,000	60,525	224,386	-	709,386	60,525
2026-2030	-	-	113,662	-	113,662	-
2031-2034	-	-	45,000	-	45,000	-
<b>Totals</b>	<b>\$ 1,565,000</b>	<b>\$ 267,105</b>	<b>\$ 630,726</b>	<b>\$ 73,000</b>	<b>\$ 2,268,726</b>	<b>\$ 267,105</b>

\* The OPWC Loan balance does not tie to the amount on the previous page due to the Cooper Foster Park Road project not being completed and no amortization schedule being available.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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

	Business-Type Activities					
	General Obligation Bonds		OWDA Loans		OPWC	
	Principal	Interest	Principal	Interest	Principal	
2016	\$ 270,000	\$ 51,842	\$ 434,933	\$ 161,905	\$ 8,648	
2017	275,000	39,777	450,953	145,886	7,537	
2018	295,000	27,384	467,562	129,276	6,439	
2019	45,000	14,310	484,784	112,054	2,005	
2020	45,000	12,510	502,641	94,197	2,004	
2021-2025	265,000	32,895	2,202,647	184,708	9,019	
Totals	\$ 1,195,000	\$ 178,718	\$ 4,543,520	\$ 828,026	\$ 35,652	

## 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 \$41,647 during 2015 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 of Amherst is a Non-Financing Participant and an Owner Participant with an ownership percentage of 3.73% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

## Note 14: Joint Ventures (Continued)

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participant's entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2014, the outstanding debt was \$11,938,283. The City issued its own bonds to pay its share of the project costs. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2015, the City's liability on these bonds was paid in full. The City's net investment and its share of operating results of OMEGA JV2 are also reported in the City's Electric Fund. The City's net investment in OMEGA JV2 was \$618,575 at December 31, 2015. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2015 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	<u>95.20%</u>	<u>127,640</u>		<u>4.80%</u>	<u>6,441</u>
			Grand Total	<u>100.00%</u>	<u>134,081</u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## **Note 14: Joint Ventures (Continued)**

As a member of American Municipal Power (AMP), the City participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 5,000 kilowatts of a total 771,281 kilowatts, giving the City a 0.65 % share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$870,998. The City received a credit of \$94,567 related to its participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$550,307. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable. Since March 31, 2014 the City has made payments of \$8,016 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$6,645 and interest expense incurred on AMP's line-of-credit of \$8,127, resulting in a net impaired cost estimate at December 31, 2015 of \$557,063.

The City intends to recover these costs and repay AMP over the next 2.5 years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Codification Re10.

## **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, 2015.

### **B. Litigation**

The City is party to legal proceedings seeking damages or injunctive relief generally incidental to its operations. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the City.

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

### Note 16: New Accounting Principles and Restatement of Balances

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

A restatement was made to beginning net position in the Electric Fund/Business-Type Activities to record an accounts payable for an electricity purchase from AMP Ohio. The implementation of this pronouncement and restatement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>		
Net position December 31, 2014	\$33,298,033	\$27,070,956		
Adjustments:				
AMP Ohio Payable	0	(675,698)		
Net Pension Liability	(5,825,355)	(565,880)		
Deferred Outflow - Payments Subsequent to Measurement Date	<u>608,401</u>	<u>70,620</u>		
Restated Net Position December 31, 2014	<u><u>\$28,081,079</u></u>	<u><u>\$25,899,998</u></u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Total Enterprise</u>
Net position December 31, 2014	\$4,552,305	\$10,788,616	\$11,730,035	\$27,070,956
Adjustments:				
AMP Ohio Payable	0	0	(675,698)	(675,698)
Net Pension Liability	(116,387)	(230,097)	(219,396)	(565,880)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>14,525</u>	<u>28,715</u>	<u>27,380</u>	<u>70,620</u>
Restated Net Position December 31, 2014	<u><u>\$4,450,443</u></u>	<u><u>\$10,587,234</u></u>	<u><u>\$10,862,321</u></u>	<u><u>\$25,899,998</u></u>

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

# City of Amherst, Ohio

Notes to the Basic Financial Statements

**For the Year Ended December 31, 2015**

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## 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 Improvement Income Tax	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>				
Prepaid Items	\$51,919	\$0	\$16,022	\$67,941
Inventory	132,923	0	77,058	209,981
Total Nonspendable	<u>184,842</u>	<u>0</u>	<u>93,080</u>	<u>277,922</u>
<b>Restricted for</b>				
Street Improvement	0	1,912,317	593,193	2,505,510
Park and Pool	0	0	340,475	340,475
Other Purposes	0	0	149,068	149,068
Planning Commission	0	0	214,000	214,000
Cable Television	0	0	640,196	640,196
Debt Services Payments	0	0	474,230	474,230
Capital Improvements	0	0	808,889	808,889
Total Restricted	<u>0</u>	<u>1,912,317</u>	<u>3,220,051</u>	<u>5,132,368</u>
<b>Committed to</b>				
Other Purposes	<u>0</u>	<u>0</u>	<u>49,000</u>	<u>49,000</u>
<b>Assigned to</b>				
Other Purposes	<u>52,459</u>	<u>0</u>	<u>0</u>	<u>52,459</u>
<b>Unassigned</b>				
	<u>2,581,075</u>	<u>0</u>	<u>0</u>	<u>2,581,075</u>
Total Fund Balances	<u><u>\$2,818,376</u></u>	<u><u>\$1,912,317</u></u>	<u><u>\$3,362,131</u></u>	<u><u>\$8,092,824</u></u>

# City of Amherst, Ohio

Notes to the Basic Financial Statements

## For the Year Ended December 31, 2015

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### Note 18: Capital Lease

During 2012, the City entered into a capital lease for a copier and postage machine. The terms of the agreements provide options to purchase the equipment. The leases meet the criteria of a capital lease as defined by GASB Statement No. 62. Capital lease payments have been reclassified and are reflected as debt service in the basic financial statements for the General Fund. These expenditures are reflected as program/object expenditures on a budgetary basis in the General Fund.

The capital assets acquired by the leases have been capitalized in the statement of net position for governmental activities in the amount of \$12,880 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2015 totaled \$2,700 in the governmental funds. As of December 31, 2015, the leased assets had depreciated in the amount of \$9,829.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2015.

Year Ending December 31,	Capitalized Lease Obligation
2016	\$ 2,612
2017	463
Total Minimum Lease Payments	3,075
Less: Amount Representing Interest	(64)
Present Value of Minimum Lease Payments	<u>\$ 3,011</u>

### Note 19: Commitments

#### Encumbrances

At December 31, 2015, the City had significant encumbrance commitments in the following funds:

Fund	Amount
Major Funds:	
General	\$64,185
Street Improvement Income Tax	318,786
Sewer	180,883
Electric	767,840
Total Encumbrances	<u>\$1,331,694</u>

### Note 20: Subsequent Event

On February 18, 2016, the City was notified by the Ohio Water Development Authority (OWDA) that they have implemented an interest rate buy-down program to assist communities and local governments with outstanding OWDA loans. The City has a Water Pollution Control Loan administered by OWDA with an interest rate of 3.65% which will see a reduction of the interest rate to 3.00%. The buy-down will be credited to City payments starting with the July 1, 2016 due date and will result in an estimated interest savings of \$162,911 over the remaining life of the loan.

**City of Amherst**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System*  
*Last Two Years*

	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 89,017,348,266	\$ 86,407,229,435
Plan net position	<u>76,956,230,642</u>	<u>74,618,532,269</u>
Net pension liability	12,061,117,624	11,788,697,166
City's proportion of the net pension liability	0.027831% *	0.027831%
City's proportionate share of the net pension liability	\$ 3,356,730	\$ 3,280,912
City's covered-employee payroll	\$ 3,488,342	\$ 3,699,946
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	96.20%	88.70%
Plan fiduciary net position as a percentage of the total pension liability	86.50%	86.40%

\* - Calculated at combined rate for Local Division and Public Safety Division  
Note: Information not available prior to 2013.

**City of Amherst**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Police and Fire Pension System*  
*Last Two Years*

	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 18,633,864,837	\$ 18,036,391,574
Plan net position	<u>13,453,447,836</u>	<u>13,166,077,870</u>
Net pension liability	5,180,417,001	4,870,313,704
City's proportion of the net pension liability	0.063863%	0.063863%
City's proportionate share of the net pension liability	\$ 3,308,365	\$ 3,110,324
City's covered-employee payroll	\$ 1,370,632	\$ 1,728,401
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	241.40%	180.00%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	73.00%

Note: Information prior to 2013 is not available.

**City of Amherst**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 421,451	\$ 418,601	\$ 480,993	\$ 485,927	\$ 453,284	\$ 454,740	\$ 442,890	\$ 464,901	\$ 436,051	\$ 421,691
Contributions in relation to the contractually required contribution	(421,451)	(418,601)	(480,993)	(485,927)	(453,284)	(454,740)	(442,890)	(464,901)	(436,051)	(421,691)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 3,512,092	\$ 3,488,342	\$ 3,699,946	\$ 4,859,270	\$ 4,532,840	\$ 5,197,029	\$ 5,714,710	\$ 6,641,443	\$ 5,222,168	\$ 4,659,569
Contributions as a percentage of covered employee payroll	12.00%	12.00%	13.00%	10.00%	10.00%	8.75%	7.75%	7.00%	8.35%	9.05%

**City of Amherst**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension System*  
*Last Ten Years*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 272,083	\$ 260,420	\$ 274,470	\$ 246,016	\$ 238,984	\$ 260,003	\$ 255,102	\$ 257,885	\$ 251,305	\$ 234,913
Contributions in relation to the contractually required contribution	(272,083)	(260,420)	(274,470)	(246,016)	(238,984)	(260,003)	(255,102)	(257,885)	(251,305)	(234,913)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,432,016	\$ 1,370,632	\$ 1,728,401	\$ 1,929,537	\$ 1,874,384	\$ 2,039,239	\$ 2,000,800	\$ 2,022,627	\$ 1,971,020	\$ 1,999,260
Contributions as a percentage of covered employee payroll	19.00%	19.00%	15.88%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	11.75%

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**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.

#### *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.

#### *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.

#### *Disabled Parking Fund*

To account for the monies collected from tickets issued to motorists parking in disabled parking spaces.

#### *Housing Program Fund*

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

#### *Community Improvement Fund*

To account for funds received from a long term easement agreement with Tristar Investors for the use of land for a cell tower.

### **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.

#### *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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### **Nonmajor Capital Projects Funds (Continued)**

#### *State Issue II Fund*

To account for Issue II funds received from the Ohio Public Works Commission and local match monies for capital projects.

### **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, 2015**

	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	\$ 1,924,281	\$ 474,230	\$ 808,889	\$ 3,207,400
Materials and supplies inventory	77,058	-	-	77,058
Accounts receivable	11,465	-	-	11,465
Intergovernmental receivable	327,967	11,759	18,614	358,340
Prepaid items	16,022	-	-	16,022
Property taxes receivable	3,059	175,285	243,519	421,863
<b>Total assets</b>	<b>\$ 2,359,852</b>	<b>\$ 661,274</b>	<b>\$ 1,071,022</b>	<b>\$ 4,092,148</b>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,071	\$ -	-	\$ 6,071
Accrued wages and benefits payable	14,583	-	-	14,583
Intergovernmental payable	20,996	-	-	20,996
<b>Total liabilities</b>	<b>41,650</b>	<b>-</b>	<b>-</b>	<b>41,650</b>
<b>Deferred inflows of resources:</b>				
Property taxes not levied to finance current year operations	-	172,927	240,150	413,077
Unavailable revenue - delinquent taxes	-	2,358	3,369	5,727
Unavailable revenue - grants	239,190	11,759	18,614	269,563
<b>Total deferred inflows of resources</b>	<b>239,190</b>	<b>187,044</b>	<b>262,133</b>	<b>688,367</b>
<b>Fund balances:</b>				
Nonspendable	93,080	-	-	93,080
Restricted	1,936,932	474,230	808,889	3,220,051
Committed	49,000	-	-	49,000
<b>Total fund balances</b>	<b>2,079,012</b>	<b>474,230</b>	<b>808,889</b>	<b>3,362,131</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,359,852</b>	<b>\$ 661,274</b>	<b>\$ 1,071,022</b>	<b>\$ 4,092,148</b>

# City of Amherst, Ohio

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

**For the Year Ended December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and other taxes	\$ 41,781	\$ 176,401	\$ 241,608	\$ 459,790
Intergovernmental	696,678	26,465	260,454	983,597
Charges for services	184,810	-	-	184,810
Fees, licenses and permits	99,806	-	-	99,806
Fines and forfeitures	1,591	-	-	1,591
Investment earnings	178	-	661	839
Contributions and donations	4,615	-	-	4,615
Miscellaneous	39,792	-	-	39,792
<b>Total revenues</b>	<b>1,069,251</b>	<b>202,866</b>	<b>502,723</b>	<b>1,774,840</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	44,693	-	-	44,693
Security of persons and property	1,875	-	44,154	46,029
Public health and welfare	80,435	-	-	80,435
Transportation	900,297	-	-	900,297
Community development	4,600	6,231	-	10,831
Leisure time activities	156,258	-	-	156,258
Capital outlay	292,585	-	617,714	910,299
<b>Debt service:</b>				
Principal retirement	15,967	210,000	-	225,967
Interest and fiscal charges	8,760	38,275	-	47,035
<b>Total expenditures</b>	<b>1,505,470</b>	<b>254,506</b>	<b>661,868</b>	<b>2,421,844</b>
Excess of revenues over (under) expenditures	(436,219)	(51,640)	(159,145)	(647,004)
<b>Other financing sources (uses):</b>				
Transfers in	315,000	75,000	-	390,000
Issuance of loan	73,000	-	-	73,000
Issuance of OPWC loan	-	-	199,302	199,302
Proceeds from sale of capital assets	8,079	-	-	8,079
<b>Total other financing sources (uses)</b>	<b>396,079</b>	<b>75,000</b>	<b>199,302</b>	<b>670,381</b>
Net change in fund balances	(40,140)	23,360	40,157	23,377
Fund balances at beginning of year	2,119,152	450,870	768,732	3,338,754
Fund balances at end of year	\$ 2,079,012	\$ 474,230	\$ 808,889	\$ 3,362,131

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2015**

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 321,471	\$ 104,127	\$ 144,489	\$ 34,134
Materials and supplies inventory	77,058	-	-	-
Accounts receivable	-	-	-	-
Property taxes receivable	-	-	-	3,059
Intergovernmental receivable	265,384	21,356	5,744	-
Prepaid items	12,174	-	-	2,435
Total assets	<u>\$ 676,087</u>	<u>\$ 125,483</u>	<u>\$ 150,233</u>	<u>\$ 39,628</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,217	\$ -	\$ -	\$ 182
Accrued wages and benefits payable	12,918	-	-	405
Intergovernmental payable	16,053	-	-	2,610
Total liabilities	<u>30,188</u>	<u>-</u>	<u>-</u>	<u>3,197</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue - grants	221,250	17,940	-	-
Total deferred inflows of resources	<u>221,250</u>	<u>17,940</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable	89,232	-	-	2,435
Restricted	335,417	107,543	150,233	33,996
Committed	-	-	-	-
Total fund balances	<u>424,649</u>	<u>107,543</u>	<u>150,233</u>	<u>36,431</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 676,087</u>	<u>\$ 125,483</u>	<u>\$ 150,233</u>	<u>\$ 39,628</u>

Office on Aging	Planning Commission	Park Trust	Assistance to Firefighters	Cable Television
\$ 49,549	\$ 214,000	\$ 307,326	\$ 1,793	\$ 598,363
-	-	-	-	-
460	-	-	-	8,912
-	-	-	-	-
-	-	-	-	35,483
877	-	-	-	536
<u>\$ 50,886</u>	<u>\$ 214,000</u>	<u>\$ 307,326</u>	<u>\$ 1,793</u>	<u>\$ 643,294</u>
\$ 2,110	\$ -	\$ -	\$ -	\$ 2,562
1,260	-	-	-	-
1,486	-	847	-	-
<u>4,856</u>	<u>-</u>	<u>847</u>	<u>-</u>	<u>2,562</u>
-	-	-	-	-
-	-	-	-	-
877	-	-	-	536
45,153	214,000	306,479	1,793	640,196
-	-	-	-	-
<u>46,030</u>	<u>214,000</u>	<u>306,479</u>	<u>1,793</u>	<u>640,732</u>
<u>\$ 50,886</u>	<u>\$ 214,000</u>	<u>\$ 307,326</u>	<u>\$ 1,793</u>	<u>\$ 643,294</u>

(Continued)

# City of Amherst, Ohio

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

**December 31, 2015**

	CPT Grant	Law Enforcement	Drug Law Enforcement
Assets:			
Equity in pooled cash and investments	\$ 5,305	\$ 40,977	\$ 8,479
Material and supplies inventory	-	-	-
Accounts receivable	1,920	-	-
Property taxes receivable	-	-	-
Intergovernmental receivable	-	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 7,225</u>	<u>\$ 40,977</u>	<u>\$ 8,479</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-
Intergovernmental payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	7,225	40,977	8,479
Committed	-	-	-
Total fund balances	<u>7,225</u>	<u>40,977</u>	<u>8,479</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,225</u>	<u>\$ 40,977</u>	<u>\$ 8,479</u>

<u>DUI Enforcement</u>	<u>Bullet Proof Vest</u>	<u>Disabled Parking</u>	<u>Housing Program</u>	<u>Community Improvement</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 8,451	\$ 3,142	\$ 250	\$ 33,425	\$ 49,000	\$ 1,924,281
-	-	-	-	-	77,058
173	-	-	-	-	11,465
-	-	-	-	-	3,059
-	-	-	-	-	327,967
-	-	-	-	-	16,022
<u>\$ 8,624</u>	<u>\$ 3,142</u>	<u>\$ 250</u>	<u>\$ 33,425</u>	<u>\$ 49,000</u>	<u>2,359,852</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,071
-	-	-	-	-	14,583
-	-	-	-	-	20,996
-	-	-	-	-	41,650
-	-	-	-	-	239,190
-	-	-	-	-	239,190
-	-	-	-	-	93,080
8,624	3,142	250	33,425	-	1,936,932
-	-	-	-	49,000	49,000
<u>8,624</u>	<u>3,142</u>	<u>250</u>	<u>33,425</u>	<u>49,000</u>	<u>2,079,012</u>
<u>\$ 8,624</u>	<u>\$ 3,142</u>	<u>\$ 250</u>	<u>\$ 33,425</u>	<u>\$ 49,000</u>	<u>\$ 2,359,852</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, 2015**

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool
Revenues:				
Intergovernmental	\$ 528,531	\$ 42,692	\$ 65,653	\$ -
Charges for services	-	-	-	74,891
Fees, licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Property and other taxes	-	-	-	41,781
Contributions and donations	-	-	-	-
Miscellaneous	3,082	-	-	5,754
Total revenues	<u>531,613</u>	<u>42,692</u>	<u>65,653</u>	<u>122,426</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	-	-	-
Transportation	881,914	18,383	-	-
Community development	-	-	-	-
Leisure time activities	-	-	-	126,137
Capital outlay	31,343	-	118,190	-
Debt Service:				
Principal retirement	-	-	15,967	-
Interest and fiscal charges	-	-	8,760	-
Total expenditures	<u>913,257</u>	<u>18,383</u>	<u>142,917</u>	<u>126,137</u>
Excess of revenues over (under) expenditures	<u>(381,644)</u>	<u>24,309</u>	<u>(77,264)</u>	<u>(3,711)</u>
Other financing sources (uses):				
Transfers in	240,000	-	-	-
Proceeds from sale of capital assets	2,483	-	-	5,596
Issuance of loan	-	-	-	-
Total other financing sources (uses)	<u>242,483</u>	<u>-</u>	<u>-</u>	<u>5,596</u>
Net change in fund balances	(139,161)	24,309	(77,264)	1,885
Fund balances at beginning of year	<u>563,810</u>	<u>83,234</u>	<u>227,497</u>	<u>34,546</u>
Fund balances at end of year	<u>\$ 424,649</u>	<u>\$ 107,543</u>	<u>\$ 150,233</u>	<u>\$ 36,431</u>

Office on Aging	Planning Commission	Park Trust	Assistance to Firefighters	Cable Television
\$ -	\$ -	\$ 20,996	\$ -	\$ 35,483
31,052	14,300	46,743	-	17,824
-	-	-	-	99,806
-	-	-	-	-
22	-	-	-	-
-	-	-	-	-
-	-	4,615	-	-
3,952	-	-	-	20,000
<u>35,026</u>	<u>14,300</u>	<u>72,354</u>	<u>-</u>	<u>173,113</u>
-	-	-	-	44,693
-	-	-	-	-
80,435	-	-	-	-
-	-	-	-	-
-	3,600	-	-	-
-	-	30,121	-	-
-	16,182	12,747	-	91,452
-	-	-	-	-
-	-	-	-	-
<u>80,435</u>	<u>19,782</u>	<u>42,868</u>	<u>-</u>	<u>136,145</u>
<u>(45,409)</u>	<u>(5,482)</u>	<u>29,486</u>	<u>-</u>	<u>36,968</u>
75,000	-	-	-	-
-	-	-	-	-
-	-	-	-	73,000
<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,000</u>
29,591	(5,482)	29,486	-	109,968
<u>16,439</u>	<u>219,482</u>	<u>276,993</u>	<u>1,793</u>	<u>530,764</u>
<u>\$ 46,030</u>	<u>\$ 214,000</u>	<u>\$ 306,479</u>	<u>\$ 1,793</u>	<u>\$ 640,732</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, 2015**

	CPT Grant	Law Enforcement	Drug Law Enforcement	DUI Enforcement
<b>Revenues:</b>				
Intergovernmental	\$ 1,760	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fees, licenses and permits	-	-	-	-
Fines and forfeitures	160	-	-	1,431
Investment earnings	-	-	-	-
Property and other taxes	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	7,004	-	-
<b>Total revenues</b>	<b>1,920</b>	<b>7,004</b>	<b>-</b>	<b>1,431</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community development	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	22,671	-	-
<b>Debt Service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>22,671</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,920</b>	<b>(15,667)</b>	<b>-</b>	<b>1,431</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Issuance of loan	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,920</b>	<b>(15,667)</b>	<b>-</b>	<b>1,431</b>
<b>Fund balances at beginning of year</b>	<b>5,305</b>	<b>56,644</b>	<b>8,479</b>	<b>7,193</b>
<b>Fund balances at end of year</b>	<b>\$ 7,225</b>	<b>\$ 40,977</b>	<b>\$ 8,479</b>	<b>\$ 8,624</b>

Bullet Proof Vest	Disabled Parking	Housing Program	Community Improvement	Total Nonmajor Special Revenue Funds
\$ 1,563	\$ -	\$ -	\$ -	\$ 696,678
-	-	-	-	184,810
-	-	-	-	99,806
-	-	-	-	1,591
-	-	156	-	178
-	-	-	-	41,781
-	-	-	-	4,615
-	-	-	-	39,792
<u>1,563</u>	<u>-</u>	<u>156</u>	<u>-</u>	<u>1,069,251</u>
-	-	-	-	44,693
1,875	-	-	-	1,875
-	-	-	-	80,435
-	-	-	-	900,297
-	-	-	1,000	4,600
-	-	-	-	156,258
-	-	-	-	292,585
-	-	-	-	15,967
-	-	-	-	8,760
<u>1,875</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,505,470</u>
<u>(312)</u>	<u>-</u>	<u>156</u>	<u>(1,000)</u>	<u>(436,219)</u>
-	-	-	-	315,000
-	-	-	-	8,079
-	-	-	-	73,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396,079</u>
<u>(312)</u>	<u>-</u>	<u>156</u>	<u>(1,000)</u>	<u>(40,140)</u>
<u>3,454</u>	<u>250</u>	<u>33,269</u>	<u>50,000</u>	<u>2,119,152</u>
<u>\$ 3,142</u>	<u>\$ 250</u>	<u>\$ 33,425</u>	<u>\$ 49,000</u>	<u>\$ 2,079,012</u>

# City of Amherst, Ohio

Combining Balance Sheet  
 Nonmajor Capital Projects Funds

**December 31, 2015**

	Fire Apparatus Levy	CDBG Improvements	Issue II
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 674,065	\$ 1,385	\$ -
Intergovernmental receivable	18,614	-	-
Property taxes receivable	243,519	-	-
Total assets	<u>\$ 936,198</u>	<u>\$ 1,385</u>	<u>\$ -</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>			
<b>Liabilities:</b>			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>			
Property taxes not levied to finance current year operations	240,150	-	-
Unavailable revenue - delinquent taxes	3,369	-	-
Unavailable revenue - grants	18,614	-	-
Total deferred inflows of resources	<u>262,133</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Restricted	<u>674,065</u>	<u>1,385</u>	<u>-</u>
Total fund balances	<u>674,065</u>	<u>1,385</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 936,198</u></u>	<u><u>\$ 1,385</u></u>	<u><u>\$ -</u></u>

City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ 133,439	\$ 808,889
-	18,614
-	243,519
<u>\$ 133,439</u>	<u>\$ 1,071,022</u>
\$ -	\$ -
-	-
-	240,150
-	3,369
-	18,614
-	262,133
<u>133,439</u>	<u>808,889</u>
<u>133,439</u>	<u>808,889</u>
<u>\$ 133,439</u>	<u>\$ 1,071,022</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, 2015**

	Fire Apparatus Levy	CDBG Improvements	Issue II
Revenues:			
Property and other taxes	\$ 241,608	\$ -	\$ -
Intergovernmental	37,453	-	223,001
Investment earnings	-	-	-
Total revenues	<u>279,061</u>	<u>-</u>	<u>223,001</u>
Expenditures:			
Security of persons and property	44,154	-	-
Capital outlay	184,001	-	422,303
Total expenditures	<u>228,155</u>	<u>-</u>	<u>422,303</u>
Excess of revenues over (under) expenditures	<u>50,906</u>	<u>-</u>	<u>(199,302)</u>
Other financing sources (uses):			
Issuance of OPWC loan	-	-	199,302
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>199,302</u>
Net change in fund balances	50,906	-	-
Fund balances at beginning of year	<u>623,159</u>	<u>1,385</u>	<u>-</u>
Fund balances at end of year	<u>\$ 674,065</u>	<u>\$ 1,385</u>	<u>\$ -</u>

City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ -	\$ 241,608
-	260,454
<u>661</u>	<u>661</u>
<u>661</u>	<u>502,723</u>
-	44,154
<u>11,410</u>	<u>617,714</u>
<u>11,410</u>	<u>661,868</u>
<u>(10,749)</u>	<u>(159,145)</u>
-	199,302
-	199,302
(10,749)	40,157
<u>144,188</u>	<u>768,732</u>
<u>\$ 133,439</u>	<u>\$ 808,889</u>

# City of Amherst, Ohio

## Combining Statements Fiduciary Funds

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### **Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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, 2015**

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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	\$ 13,342	\$ 2,804	\$ 9,823	\$ 25,969
Total Assets	<u>\$ 13,342</u>	<u>\$ 2,804</u>	<u>\$ 9,823</u>	<u>\$ 25,969</u>
Liabilities:				
Deposits held and due to others	\$ 13,342	\$ 2,804	\$ 9,823	\$ 25,969
Total Liabilities	<u>\$ 13,342</u>	<u>\$ 2,804</u>	<u>\$ 9,823</u>	<u>\$ 25,969</u>

# City of Amherst, Ohio

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

### For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<b>Street Openings</b>				
Assets:				
Equity in pooled cash and investments	\$ 13,332	\$ 1,010	\$ 1,000	\$ 13,342
Liabilities:				
Deposits held and due to others	\$ 13,332	\$ 1,010	\$ 1,000	\$ 13,342
<b>Building Standards Assessment</b>				
Assets:				
Equity in pooled cash and investments	\$ 2,772	\$ 2,285	\$ 2,253	\$ 2,804
Liabilities:				
Deposits held and due to others	\$ 2,772	\$ 2,285	\$ 2,253	\$ 2,804
<b>Developer's Deposits and Fees</b>				
Assets:				
Equity in pooled cash and investments	\$ 13,488	\$ 7,500	\$ 11,165	\$ 9,823
Liabilities:				
Deposits held and due to others	\$ 13,488	\$ 7,500	\$ 11,165	\$ 9,823
<b>Totals - All Agency Funds</b>				
Assets:				
Equity in pooled cash and investments	\$ 29,592	\$ 10,795	\$ 14,418	\$ 25,969
Total assets	\$ 29,592	\$ 10,795	\$ 14,418	\$ 25,969
Liabilities:				
Deposits held and due to others	\$ 29,592	\$ 10,795	\$ 14,418	\$ 25,969
Total liabilities	\$ 29,592	\$ 10,795	\$ 14,418	\$ 25,969

**Individual Fund**  
**Schedules of Revenues, Expenditures/Expenses and**  
**Changes in Fund Balances/Net Position –**  
**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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and other taxes	\$ 903,160	\$ 903,160	\$ 777,827	\$ (125,333)
Municipal income taxes	3,720,000	3,720,000	3,819,873	99,873
Kilowatt taxes	460,000	460,000	441,572	(18,428)
Intergovernmental	331,737	331,737	455,606	123,869
Charges for services	89,500	89,500	150,237	60,737
Fines and forfeitures	40,000	40,000	40,007	7
Fees, licenses and permits	141,000	141,000	164,520	23,520
Interest	55,000	55,000	82,694	27,694
Miscellaneous	20,000	20,000	19,107	(893)
Total revenues	<u>5,760,397</u>	<u>5,760,397</u>	<u>5,951,443</u>	<u>191,046</u>
<b>Expenditures:</b>				
<b>Current operations and maintenance:</b>				
<b>General Government:</b>				
<b>Mayor's office</b>				
Salaries and wages	103,000	103,000	102,065	935
Fringe benefits	20,050	20,050	18,569	1,481
Materials and supplies	2,500	2,500	1,240	1,260
Contractual services	9,150	9,150	7,423	1,727
Total mayor's office	<u>134,700</u>	<u>134,700</u>	<u>129,297</u>	<u>5,403</u>
<b>Safety services</b>				
Salaries and wages	17,000	17,000	17,000	-
Fringe benefits	3,600	3,600	3,058	542
Materials and supplies	800	800	61	739
Contractual services	47,100	48,156	35,343	12,813
Total safety services	<u>68,500</u>	<u>69,556</u>	<u>55,462</u>	<u>14,094</u>
<b>City council</b>				
Salaries and wages	77,000	77,000	72,507	4,493
Fringe benefits	14,500	14,500	13,002	1,498
Materials and supplies	2,500	2,500	2,218	282
Contractual services	22,050	22,149	11,299	10,850
Total city council	<u>116,050</u>	<u>116,149</u>	<u>99,026</u>	<u>17,123</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Auditor</b>				
Salaries and wages	122,900	106,500	99,191	7,309
Fringe benefits	32,700	34,700	29,419	5,281
Materials and supplies	10,000	7,818	6,440	1,378
Contractual services	52,000	70,922	50,012	20,910
Total auditor	<u>217,600</u>	<u>219,940</u>	<u>185,062</u>	<u>34,878</u>
<b>Treasurer</b>				
Salaries and wages	65,400	65,400	63,855	1,545
Fringe benefits	42,200	42,200	33,935	8,265
Materials and supplies	5,214	5,214	1,249	3,965
Contractual services	22,086	23,972	16,449	7,523
Total treasurer	<u>134,900</u>	<u>136,786</u>	<u>115,488</u>	<u>21,298</u>
<b>Law Director</b>				
Salaries and wages	151,000	151,500	151,101	399
Fringe benefits	28,500	28,000	27,139	861
Contractual services	32,000	37,000	35,537	1,463
Total law director	<u>211,500</u>	<u>216,500</u>	<u>213,777</u>	<u>2,723</u>
<b>City hall</b>				
Materials and supplies	9,500	9,500	6,318	3,182
Contractual services	15,000	15,000	10,597	4,403
Total city hall	<u>24,500</u>	<u>24,500</u>	<u>16,915</u>	<u>7,585</u>
<b>Civil service commission</b>				
Salaries and wages	2,300	2,300	2,232	68
Fringe benefits	600	600	402	198
Materials and supplies	250	250	-	250
Contractual services	6,250	6,250	2,006	4,244
Total civil service commission	<u>9,400</u>	<u>9,400</u>	<u>4,640</u>	<u>4,760</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous				
Materials and supplies	10,000	10,000	5,000	5,000
Contractual services	278,242	127,167	79,597	47,570
Fringe Benefits	1,000	1,000	424	576
Total miscellaneous	<u>289,242</u>	<u>138,167</u>	<u>85,021</u>	<u>53,146</u>
Total general government	<u>1,206,392</u>	<u>1,065,698</u>	<u>904,688</u>	<u>161,010</u>
Security of persons and property:				
Police department				
Salaries and wages	2,014,481	2,014,481	1,974,021	40,460
Fringe benefits	837,500	837,500	756,419	81,081
Materials and supplies	115,092	115,092	111,367	3,725
Contractual services	213,606	213,606	191,714	21,892
Total police department	<u>3,180,679</u>	<u>3,180,679</u>	<u>3,033,521</u>	<u>147,158</u>
Fire department				
Salaries and wages	420,150	420,150	406,428	13,722
Fringe benefits	84,312	84,312	78,761	5,551
Materials and supplies	17,440	17,440	14,010	3,430
Contractual services	40,248	54,000	47,486	6,514
Total fire department	<u>562,150</u>	<u>575,902</u>	<u>546,685</u>	<u>29,217</u>
Total security of persons and property	<u>3,742,829</u>	<u>3,756,581</u>	<u>3,580,206</u>	<u>176,375</u>
Public health and welfare				
Cemetery				
Contractual services	16,100	16,100	13,774	2,326
Total cemetery	<u>16,100</u>	<u>16,100</u>	<u>13,774</u>	<u>2,326</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County health district				
Contractual services	48,000	48,000	41,647	6,353
Total county health district	<u>48,000</u>	<u>48,000</u>	<u>41,647</u>	<u>6,353</u>
Total public health and welfare	<u>64,100</u>	<u>64,100</u>	<u>55,421</u>	<u>8,679</u>
Community development				
Building inspector				
Salaries and wages	127,350	127,350	122,418	4,932
Fringe benefits	65,550	65,550	51,974	13,576
Materials and supplies	8,793	8,793	3,699	5,094
Contractual services	42,457	44,587	19,504	25,083
Total building inspector	<u>244,150</u>	<u>246,280</u>	<u>197,595</u>	<u>48,685</u>
Planning commission				
Materials and supplies	250	250	45	205
Contractual services	400	400	400	-
Total planning commission	<u>650</u>	<u>650</u>	<u>445</u>	<u>205</u>
Board of zoning appeals				
Materials and supplies	300	300	125	175
Contractual services	2,100	2,100	779	1,321
Total board of zoning appeals	<u>2,400</u>	<u>2,400</u>	<u>904</u>	<u>1,496</u>
Total community development	<u>247,200</u>	<u>249,330</u>	<u>198,944</u>	<u>50,386</u>
Capial Outlay	<u>61,421</u>	<u>191,233</u>	<u>189,759</u>	<u>1,474</u>
Total expenditures	<u>5,321,942</u>	<u>5,326,942</u>	<u>4,929,018</u>	<u>397,924</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess of revenues over (under) expenditures	<u>438,455</u>	<u>433,455</u>	<u>1,022,425</u>	<u>588,970</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	2,000	2,000	4,277	2,277
Transfers out	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,048,144)</u>	<u>151,856</u>
Total other financing sources (uses)	<u>(1,198,000)</u>	<u>(1,198,000)</u>	<u>(1,043,867)</u>	<u>154,133</u>
Net change in fund balance	(759,545)	(764,545)	(21,442)	743,103
Fund balance at beginning of year	865,227	865,227	865,227	-
Prior year encumbrances appropriated	<u>160,042</u>	<u>160,042</u>	<u>160,042</u>	<u>-</u>
Fund balance at end of year	<u>\$ 265,724</u>	<u>\$ 260,724</u>	<u>\$ 1,003,827</u>	<u>\$ 743,103</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 1,060,000	\$ 1,335,000	\$ 1,213,372	\$ (121,628)
Total revenues	<u>1,060,000</u>	<u>1,335,000</u>	<u>1,213,372</u>	<u>(121,628)</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	35,463	35,463	16,251	19,212
Capital outlay	2,034,467	2,309,467	1,779,525	529,942
Refunds and reimbursement	35,000	35,000	13,722	21,278
Debt service:				
Principal retirement	110,000	110,000	104,341	5,659
Interest and fiscal charges	35,000	35,000	29,645	5,355
Total expenditures	<u>2,249,930</u>	<u>2,524,930</u>	<u>1,943,484</u>	<u>581,446</u>
Excess of revenues under expenditures	(1,189,930)	(1,189,930)	(730,112)	459,818
Other financing sources (uses):				
Transfers out	(200,000)	(200,000)	-	200,000
Advances out	(125,000)	(125,000)	-	125,000
Issuance of OPWC loan	-	-	5,000	5,000
Total other financing sources (uses)	<u>(325,000)</u>	<u>(325,000)</u>	<u>5,000</u>	<u>330,000</u>
Net change in fund balance	(1,514,930)	(1,514,930)	(725,112)	789,818
Fund balance at beginning of year	1,836,463	1,836,463	1,836,463	-
Prior year encumbrances appropriated	<u>88,650</u>	<u>88,650</u>	<u>88,650</u>	<u>-</u>
Fund balance at end of year	<u>\$ 410,183</u>	<u>\$ 410,183</u>	<u>\$ 1,200,001</u>	<u>\$ 789,818</u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenses and Changes In Net Position - Budget (Non-GAAP Basis) and Actual

Water Fund

#### For The Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,673,000	\$ 2,673,000	\$ 2,748,201	\$ 75,201
Miscellaneous	-	-	8,340	8,340
Total revenues	<u>2,673,000</u>	<u>2,673,000</u>	<u>2,756,541</u>	<u>83,541</u>
Expenses:				
Water operations:				
Salaries and wages	387,390	387,390	347,782	39,608
Fringe benefits	271,468	271,468	231,816	39,652
Contractual services	1,989,644	1,989,644	1,506,322	483,322
Materials and supplies	179,647	179,647	133,093	46,554
Refunds and reimbursements	15,000	15,000	9,013	5,987
Capital outlay	187,601	187,601	121,301	66,300
Debt service:				
Principal retirement	120,000	120,000	120,000	-
Interest and fiscal charges	42,000	42,000	35,925	6,075
Total expenses	<u>3,192,750</u>	<u>3,192,750</u>	<u>2,505,252</u>	<u>687,498</u>
Excess of revenues over (under) expenses	(519,750)	(519,750)	251,289	771,039
Other non-operating revenues:				
Proceeds from sale of capital assets	-	-	1,064	1,064
Net change in net position	(519,750)	(519,750)	252,353	772,103
Net position at beginning of year	1,130,531	1,130,531	1,130,531	-
Prior year encumbrances appropriated	59,912	59,912	59,912	-
Net position at end of year	<u>\$ 670,693</u>	<u>\$ 670,693</u>	<u>\$ 1,442,796</u>	<u>\$ 772,103</u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenses and Changes In Net Position - Budget (Non-GAAP Basis) and Actual

#### Sewer Fund

#### For The Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,483,000	\$ 2,483,000	\$ 2,504,836	\$ 21,836
Miscellaneous	-	-	4,680	4,680
Total revenues	<u>2,483,000</u>	<u>2,483,000</u>	<u>2,509,516</u>	<u>26,516</u>
Expenses:				
Sewer operations:				
Salaries and wages	717,650	717,650	686,093	31,557
Fringe benefits	497,512	497,512	400,789	96,723
Contractual services	497,379	497,379	238,269	259,110
Materials and supplies	356,303	356,303	167,891	188,412
Claims	2,500	2,500	-	2,500
Refunds and reimbursements	30,500	30,500	25,912	4,588
Capital outlay	801,522	801,522	418,245	383,277
Debt service:				
Principal retirement	487,000	487,000	483,130	3,870
Interest and fiscal charges	190,000	190,000	187,821	2,179
Total expenses	<u>3,580,366</u>	<u>3,580,366</u>	<u>2,608,150</u>	<u>972,216</u>
Net change in net position	(1,097,366)	(1,097,366)	(98,634)	998,732
Net position at beginning of year	2,384,082	2,384,082	2,384,082	-
Prior year encumbrances appropriated	<u>158,516</u>	<u>158,516</u>	<u>158,516</u>	<u>-</u>
Net position at end of year	<u>\$ 1,445,232</u>	<u>\$ 1,445,232</u>	<u>\$ 2,443,964</u>	<u>\$ 998,732</u>

## City of Amherst, Ohio

### Schedule of Revenues, Expenses and Changes In Net Position - Budget (Non-GAAP Basis) and Actual

Electric Fund

**For The Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 10,423,000	\$ 10,423,000	\$ 10,507,211	\$ 84,211
Miscellaneous	-	-	24,389	24,389
Total revenues	<u>10,423,000</u>	<u>10,423,000</u>	<u>10,531,600</u>	<u>108,600</u>
Expenses:				
Electric operations:				
Salaries and wages	672,560	672,560	646,523	26,037
Fringe benefits	718,470	718,470	559,252	159,218
Contractual services	9,451,433	9,451,433	9,012,182	439,251
Materials and supplies	157,343	157,343	110,975	46,368
Refunds and reimbursements	15,000	45,000	32,460	12,540
Capital outlay	2,900,413	2,900,413	2,181,113	719,300
Debt service:				
Principal retirement	266,000	266,000	265,000	1,000
Interest and fiscal charges	22,000	22,000	18,883	3,117
Total expenses	<u>14,203,219</u>	<u>14,233,219</u>	<u>12,826,388</u>	<u>1,406,831</u>
Excess of revenues under expenses before other non-operating revenues (expenses)	(3,780,219)	(3,810,219)	(2,294,788)	1,515,431
Other non-operating revenues (expenses)				
Proceeds from sale of capital assets	-	-	624	624
Transfers in	460,000	460,000	441,572	(18,428)
Transfers out	(470,000)	(470,000)	-	470,000
Total non-operating revenues (expenses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>442,196</u>	<u>452,196</u>
Net change in net position	(3,790,219)	(3,820,219)	(1,852,592)	1,967,627
Net position at beginning of year	3,915,202	3,915,202	3,915,202	-
Prior year encumbrances appropriated	<u>1,715,269</u>	<u>1,715,269</u>	<u>1,715,269</u>	<u>-</u>
Net position at end of year	<u>\$ 1,840,252</u>	<u>\$ 1,810,252</u>	<u>\$ 3,777,879</u>	<u>\$ 1,967,627</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 400,000	\$ 460,000	\$ 526,767	\$ 66,767
Miscellaneous	1,000	1,000	3,082	2,082
Total revenues	<u>401,000</u>	<u>461,000</u>	<u>529,849</u>	<u>68,849</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	541,000	541,000	452,384	88,616
Fringe benefits	209,500	209,500	172,836	36,664
Contractual services	70,675	70,675	57,752	12,923
Materials and supplies	281,797	281,797	223,286	58,511
Capital outlay	46,558	46,558	31,343	15,215
Total expenditures	<u>1,149,530</u>	<u>1,149,530</u>	<u>937,601</u>	<u>211,929</u>
Excess of revenues under expenditures	(748,530)	(688,530)	(407,752)	280,778
Other financing sources:				
Proceeds from sale of capital assets	-	-	2,483	2,483
Transfers in	300,000	240,000	240,000	-
Net change in fund balance	(448,530)	(448,530)	(165,269)	283,261
Fund balance at beginning of year	444,007	444,007	444,007	-
Prior year encumbrances appropriated	36,030	36,030	36,030	-
Fund balance at end of year	<u>\$ 31,507</u>	<u>\$ 31,507</u>	<u>\$ 314,768</u>	<u>\$ 283,261</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 36,500	\$ 36,500	\$ 42,711	\$ 6,211
Total revenues	<u>36,500</u>	<u>36,500</u>	<u>42,711</u>	<u>6,211</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Salaries & Wages	10,000	10,000	-	10,000
Contractual services	8,676	8,676	6,159	2,517
Materials and supplies	19,022	19,022	12,265	6,757
Total expenditures	<u>37,698</u>	<u>37,698</u>	<u>18,424</u>	<u>19,274</u>
Net change in fund balance	(1,198)	(1,198)	24,287	25,485
Fund balance at beginning of year	78,343	78,343	78,343	-
Prior year encumbrances appropriated	<u>1,498</u>	<u>1,498</u>	<u>1,498</u>	<u>-</u>
Fund balance at end of year	<u>\$ 78,643</u>	<u>\$ 78,643</u>	<u>\$ 104,128</u>	<u>\$ 25,485</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 65,058	\$ 5,058
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>65,058</u>	<u>5,058</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital Outlay	183,174	183,174	132,962	50,212
Debt service:				
Principal	16,000	16,000	15,967	33
Interest and fiscal charges	10,000	10,000	8,760	1,240
Total expenditures	<u>209,174</u>	<u>209,174</u>	<u>157,689</u>	<u>51,485</u>
Net change in fund balance	(149,174)	(149,174)	(92,631)	56,543
Fund balance at beginning of year	203,947	203,947	203,947	-
Prior year encumbrances appropriated	<u>33,174</u>	<u>33,174</u>	<u>33,174</u>	<u>-</u>
Fund balance at end of year	<u>\$ 87,947</u>	<u>\$ 87,947</u>	<u>\$ 144,490</u>	<u>\$ 56,543</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 40,000	\$ 40,000	\$ 41,576	\$ 1,576
Charges for services	65,000	65,000	84,291	19,291
Miscellaneous	18,000	18,000	5,754	(12,246)
Total revenues	<u>123,000</u>	<u>123,000</u>	<u>131,621</u>	<u>8,621</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Salaries and wages	82,300	82,300	79,870	2,430
Fringe benefits	15,400	15,400	14,798	602
Contractual services	22,200	22,200	14,906	7,294
Materials and supplies	13,579	23,579	19,523	4,056
Total expenditures	<u>133,479</u>	<u>143,479</u>	<u>129,097</u>	<u>14,382</u>
Excess of revenues over (under) expenditures	(10,479)	(20,479)	2,524	23,003
Other financing sources:				
Proceeds from sale of capital assets	-	-	5,596	5,596
Net change in fund balance	(10,479)	(20,479)	8,120	28,599
Fund balance at beginning of year	21,825	21,825	21,825	-
Prior year encumbrances appropriated	1,379	1,379	1,379	-
Fund balance at end of year	<u>\$ 12,725</u>	<u>\$ 2,725</u>	<u>\$ 31,324</u>	<u>\$ 28,599</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 32,408	\$ 17,408
Interest	-	-	22	22
Miscellaneous	1,000	1,000	4,122	3,122
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>36,552</u>	<u>20,552</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	45,400	45,400	43,975	1,425
Fringe benefits	9,900	9,900	7,201	2,699
Contractual services	31,374	31,374	27,566	3,808
Materials and supplies	5,934	5,934	2,918	3,016
Total expenditures	<u>92,608</u>	<u>92,608</u>	<u>81,660</u>	<u>10,948</u>
Excess of revenues under expenditures	(76,608)	(76,608)	(45,108)	31,500
Other financing sources:				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	(1,608)	(1,608)	29,892	31,500
Fund balance at beginning of year	14,847	14,847	14,847	-
Prior year encumbrances appropriated	<u>3,008</u>	<u>3,008</u>	<u>3,008</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,247</u>	<u>\$ 16,247</u>	<u>\$ 47,747</u>	<u>\$ 31,500</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 14,300	\$ (5,700)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,300</u>	<u>(5,700)</u>
Expenditures:				
Current operations and maintenance:				
Community Development				
Contractual services	50,000	50,000	6,634	43,366
Capital Outlay	<u>64,000</u>	<u>64,000</u>	<u>18,000</u>	<u>46,000</u>
Total expenditures	<u>114,000</u>	<u>114,000</u>	<u>24,634</u>	<u>89,366</u>
Net change in fund balance	(94,000)	(94,000)	(10,334)	83,666
Fund balance at beginning of year	<u>219,482</u>	<u>219,482</u>	<u>219,482</u>	<u>-</u>
Fund balance at end of year	<u>\$ 125,482</u>	<u>\$ 125,482</u>	<u>\$ 209,148</u>	<u>\$ 83,666</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 20,996	\$ 20,996
Charges for Services	35,000	35,000	46,743	11,743
Contributions and donations	6,000	6,000	4,615	(1,385)
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>72,354</u>	<u>31,354</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Materials and supplies	50,718	50,718	29,821	20,897
Contractual services	1,000	1,000	843	157
Capital outlay	50,000	50,000	12,747	37,253
Total expenditures	<u>101,718</u>	<u>101,718</u>	<u>43,411</u>	<u>58,307</u>
Net change in fund balance	(60,718)	(60,718)	28,943	89,661
Fund balance at beginning of year	277,118	277,118	277,118	-
Prior year encumbrances appropriated	<u>718</u>	<u>718</u>	<u>718</u>	<u>-</u>
Fund balance at end of year	<u>\$ 217,118</u>	<u>\$ 217,118</u>	<u>\$ 306,779</u>	<u>\$ 89,661</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Materials and supplies	-	1,793	-	1,793
Total expenditures	<u>-</u>	<u>1,793</u>	<u>-</u>	<u>1,793</u>
Net change in fund balance	-	(1,793)	-	1,793
Fund balance at beginning of year	<u>1,793</u>	<u>1,793</u>	<u>1,793</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,793</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,793</u></u>	<u><u>\$ 1,793</u></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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fees, license and permits	\$ 131,400	\$ 131,400	\$ 142,711	\$ 11,311
Charges for services	-	-	8,912	8,912
Miscellaneous	8,600	8,600	20,000	11,400
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>171,623</u>	<u>31,623</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
General government				
Contractual services	79,053	79,053	42,603	36,450
Materials and supplies	30,279	30,279	5,466	24,813
Capital outlay	201,434	201,434	106,062	95,372
Total expenditures	<u>310,766</u>	<u>310,766</u>	<u>154,131</u>	<u>156,635</u>
Excess of revenues over (under) expenditures	(170,766)	(170,766)	17,492	188,258
<b>Other financing sources:</b>				
Issuance of loan	-	-	73,000	73,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>73,000</u>	<u>73,000</u>
Net change in fund balance	(170,766)	(170,766)	90,492	261,258
Fund balance at beginning of year	483,524	483,524	483,524	-
Prior year encumbrances appropriated	<u>7,966</u>	<u>7,966</u>	<u>7,966</u>	<u>-</u>
Fund balance at end of year	<u>\$ 320,724</u>	<u>\$ 320,724</u>	<u>\$ 581,982</u>	<u>\$ 261,258</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,760	\$ 1,760
Total revenues	<u>-</u>	<u>-</u>	<u>1,760</u>	<u>1,760</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)	1,760	5,305
Fund balance at beginning of year	<u>3,545</u>	<u>3,545</u>	<u>3,545</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,305</u></u>	<u><u>\$ 5,305</u></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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 7,004	\$ 7,004
Total revenues	<u>-</u>	<u>-</u>	<u>7,004</u>	<u>7,004</u>
Expenditures:				
Security of persons and property:				
Capital outlay	56,641	56,641	23,449	33,192
Total expenditures	<u>56,641</u>	<u>56,641</u>	<u>23,449</u>	<u>33,192</u>
Net change in fund balance	(56,641)	(56,641)	(16,445)	40,196
Fund balance at beginning of year	35,129	35,129	35,129	-
Prior year encumbrances appropriated	<u>21,512</u>	<u>21,512</u>	<u>21,512</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,196</u>	<u>\$ 40,196</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	8,479	8,479	-	8,479
Total expenditures	<u>8,479</u>	<u>8,479</u>	<u>-</u>	<u>8,479</u>
Net change in fund balance	(8,479)	(8,479)	-	8,479
Fund balance at beginning of year	<u>8,479</u>	<u>8,479</u>	<u>8,479</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,479</u>	<u>\$ 8,479</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 1,328	\$ 1,328
Total revenues	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,328</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	7,123	7,123	-	7,123
Total expenditures	<u>7,123</u>	<u>7,123</u>	<u>-</u>	<u>7,123</u>
Net change in fund balance	(7,123)	(7,123)	1,328	8,451
Fund balance at beginning of year	<u>7,123</u>	<u>7,123</u>	<u>7,123</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,451</u>	<u>\$ 8,451</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,563	\$ 1,563
Total revenues	<u>-</u>	<u>-</u>	<u>1,563</u>	<u>1,563</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	3,453	3,453	2,798	655
Total expenditures	<u>3,453</u>	<u>3,453</u>	<u>2,798</u>	<u>655</u>
Net change in fund balance	(3,453)	(3,453)	(1,235)	2,218
Fund balance at beginning of year	2,798	2,798	2,798	-
Prior year encumbrances appropriated	<u>655</u>	<u>655</u>	<u>655</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,218</u>	<u>\$ 2,218</u>

## City of Amherst, Ohio

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

#### Disabled Parking Fund

#### For The Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
License and permits	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public Safety				
Capital Outlay	250	250	-	250
Total expenditures	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Net change in fund balance	(250)	(250)	-	(250)
Fund balance at beginning of year	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 250</u></u>	<u><u>\$ (250)</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, 2015**

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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>\$ 156</u>	<u>\$ 156</u>
Total revenues	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
Net change in fund balance	-	-	156	156
Fund balance at beginning of year	<u>33,269</u>	<u>33,269</u>	<u>33,269</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,269</u>	<u>\$ 33,269</u>	<u>\$ 33,425</u>	<u>\$ 156</u>

**City of Amherst, Ohio**

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

Community Improvement Fund

**For The Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	50,000	50,000	1,000	49,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>1,000</u>	<u>49,000</u>
Net change in fund balance	(50,000)	(50,000)	(1,000)	(49,000)
Fund balance at beginning of year	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,000</u></u>	<u><u>\$ (49,000)</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 177,702	\$ 177,702	\$ 176,401	\$ (1,301)
Intergovernmental	24,003	24,003	26,465	2,462
Total revenues	<u>201,705</u>	<u>201,705</u>	<u>202,866</u>	<u>1,161</u>
Expenditures:				
Debt service:				
Principal retirement	210,000	210,000	210,000	-
Interest and fiscal charges	45,000	45,000	38,275	6,725
Contractual services	19,500	19,500	6,231	13,269
Total expenditures	<u>274,500</u>	<u>274,500</u>	<u>254,506</u>	<u>19,994</u>
Excess of revenues under expenditures	(72,795)	(72,795)	(51,640)	21,155
Other financing sources:				
Transfer In	75,000	75,000	75,000	-
Total other financing sources	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	2,205	2,205	23,360	21,155
Fund balance at beginning of year	<u>450,870</u>	<u>450,870</u>	<u>450,870</u>	<u>-</u>
Fund balance at end of year	<u>\$ 453,075</u>	<u>\$ 453,075</u>	<u>\$ 474,230</u>	<u>\$ 21,155</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and other taxes	\$ 255,909	\$ 255,909	\$ 241,608	\$ (14,301)
Intergovernmental	25,000	25,000	37,453	12,453
Total revenues	<u>280,909</u>	<u>280,909</u>	<u>279,061</u>	<u>(1,848)</u>
<b>Expenditures:</b>				
Security of persons and property				
Contractual services	15,000	15,000	4,317	10,683
Materials and supplies	100,000	100,000	41,300	58,700
Capital outlay	<u>211,721</u>	<u>211,721</u>	<u>185,929</u>	<u>25,792</u>
Total expenditures	<u>326,721</u>	<u>326,721</u>	<u>231,546</u>	<u>95,175</u>
Excess of revenues over (under) expenditures	(45,812)	(45,812)	47,515	93,327
<b>Other financing uses:</b>				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	(49,812)	(49,812)	47,515	97,327
Fund balance at beginning of year	612,839	612,839	612,839	-
Prior year encumbrances appropriated	<u>11,721</u>	<u>11,721</u>	<u>11,721</u>	<u>-</u>
Fund balance at end of year	<u>\$ 574,748</u>	<u>\$ 574,748</u>	<u>\$ 672,075</u>	<u>\$ 97,327</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
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

State Issue II Fund

**For The Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 500,000	\$ 223,001	\$ (276,999)
Total revenues	<u>-</u>	<u>500,000</u>	<u>223,001</u>	<u>(276,999)</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	-	500,000	422,303	77,697
Total expenditures	<u>-</u>	<u>500,000</u>	<u>422,303</u>	<u>77,697</u>
Excess of revenues under expenditures	-	-	(199,302)	(199,302)
Other financing uses:				
Issuance of OPWC loans	-	-	199,302	199,302
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<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

City Hall Auditorium Fund

**For The Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 500	\$ 500	\$ 661	\$ 161
Total revenues	<u>500</u>	<u>500</u>	<u>661</u>	<u>161</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	43,256	43,256	-	43,256
Capital outlay	99,000	99,000	11,410	87,590
Total expenditures	<u>142,256</u>	<u>142,256</u>	<u>11,410</u>	<u>130,846</u>
Net change in fund balance	(141,756)	(141,756)	(10,749)	131,007
Fund balance at beginning of year	96,933	96,933	96,933	-
Prior year encumbrances appropriated	<u>47,256</u>	<u>47,256</u>	<u>47,256</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,433</u>	<u>\$ 2,433</u>	<u>\$ 133,440</u>	<u>\$ 131,007</u>

**City of Amherst, Ohio**

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

Health Insurance Fund

**For The Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ 990,000	\$ 990,000	\$ 984,860	\$ (5,140)
Total revenues	<u>990,000</u>	<u>990,000</u>	<u>984,860</u>	<u>(5,140)</u>
Expenses:				
Claims	765,000	765,000	601,988	163,012
Contractual services	380,000	380,000	253,944	126,056
Total expenses	<u>1,145,000</u>	<u>1,145,000</u>	<u>855,932</u>	<u>289,068</u>
Net change in net position	(155,000)	(155,000)	128,928	283,928
Net position at beginning of year	<u>420,246</u>	<u>420,246</u>	<u>420,246</u>	<u>-</u>
Net position at end of year	<u>\$ 265,246</u>	<u>\$ 265,246</u>	<u>\$ 549,174</u>	<u>\$ 283,928</u>

## City of Amherst, Ohio

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

Cemetery Trust Fund

#### For The Year Ended December 31, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 19	\$ 19
Total revenues	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Expenses:				
Capital outlay	150	150	-	150
Total expenses	<u>150</u>	<u>150</u>	<u>-</u>	<u>150</u>
Net change in net position	(150)	(150)	19	169
Net position at beginning of year	<u>4,175</u>	<u>4,175</u>	<u>4,175</u>	<u>-</u>
Net position at end of year	<u>\$ 4,025</u>	<u>\$ 4,025</u>	<u>\$ 4,194</u>	<u>\$ 169</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 2,120,000	\$ 2,120,000	\$ 2,571,157	\$ 451,157
Total revenues	<u>2,120,000</u>	<u>2,120,000</u>	<u>2,571,157</u>	<u>451,157</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Salaries and wages	52,700	52,700	49,710	2,990
Fringe benefits	31,000	31,000	23,952	7,048
Materials and supplies	16,206	16,206	11,396	4,810
Contractual services	35,400	35,400	19,369	16,031
Refunds and Reimbursements	65,000	65,000	37,048	27,952
Total expenditures	<u>200,306</u>	<u>200,306</u>	<u>141,475</u>	<u>58,831</u>
Excess of revenues over expenditures	1,919,694	1,919,694	2,429,682	509,988
Other financing uses:				
Transfer Out	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(2,400,000)</u>	-
Total other financing uses	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(2,400,000)</u>	-
Net change in fund balance	(480,306)	(480,306)	29,682	509,988
Fund balance at beginning of year	926,349	926,349	926,349	-
Prior year encumbrances appropriated	<u>6,256</u>	<u>6,256</u>	<u>6,256</u>	-
Fund balance at end of year	<u>\$ 452,299</u>	<u>\$ 452,299</u>	<u>\$ 962,287</u>	<u>\$ 509,988</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Contractual services	10,000	10,000	10,000	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	(10,000)	(10,000)	(10,000)	-
Other financing sources:				
Transfer In	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>

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## **Statistical Section**

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

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## 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	136 to 147
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	148 to 153
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	154 to 159
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	160 to 161
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	162 to 168
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. Fiscal year 2006 is the City's first year implementation of the GASB 44 stat tables.

**City of Amherst, Ohio**  
Net Position By Component  
Last Ten Years  
(Accrual Basis of Accounting)

	2015	2014 (2)	2013	2012
<b>Governmental Activities</b>				
Net Investment in				
Capital Assets	\$ 24,654,542	\$ 23,854,006	\$ 23,140,628	\$ 21,025,115
Restricted:				
Capital Projects	2,628,512	2,978,910	3,724,617	5,301,032
Debt Service	471,269	451,068	415,979	415,822
Other Purposes	2,084,727	2,133,163	2,366,263	2,422,760
Unrestricted	<u>(1,100,506)</u>	<u>(1,336,068)</u>	<u>3,408,642</u>	<u>3,215,419</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 28,738,544</u>	<u>\$ 28,081,079</u>	<u>\$ 33,056,129</u>	<u>\$ 32,380,148</u>
<b>Business Type - Activities</b>				
Net Investment in				
Capital Assets	\$ 15,139,933	\$ 13,696,676	\$ 13,244,106	\$ 12,322,668
Unrestricted	<u>11,481,626</u>	<u>12,203,322</u>	<u>13,358,229</u>	<u>13,354,631</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 26,621,559</u>	<u>\$ 25,899,998</u>	<u>\$ 26,602,335</u>	<u>\$ 25,677,299</u>
<b>Primary Government</b>				
Net Investment in				
Capital Assets	\$ 39,794,475	\$ 37,550,682	\$ 36,384,734	\$ 33,347,783
Restricted	5,184,508	5,563,141	6,506,859	8,139,614
Unrestricted	<u>10,381,120</u>	<u>10,867,254</u>	<u>16,766,871</u>	<u>16,570,050</u>
<i>Total Primary Government Net Position</i>	<u>\$ 55,360,103</u>	<u>\$ 53,981,077</u>	<u>\$ 59,658,464</u>	<u>\$ 58,057,447</u>

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

\* - As Restated in 2010 CAFR

(1) - As Restated in 2012 CAFR

(2) 2014 figures were adjusted to reflect a prior period adjustment and the implementation of GASB Statement No. 68.

Source: Respective comprehensive annual financial reports.

2011 (1)	2010	2009*	2008	2007	2006
\$ 21,005,542	\$ 19,761,957	\$ 19,316,081	\$ 19,354,437	\$ 19,251,994	\$ 15,915,559
4,892,597	5,203,193	5,873,519	5,203,532	4,494,099	6,350,070
428,456	409,208	354,470	421,947	471,690	522,199
2,434,810	1,637,405	1,333,201	1,536,088	1,434,301	1,777,456
2,751,516	4,434,550	4,579,981	4,644,254	5,156,522	4,755,621
<u>\$ 31,512,921</u>	<u>\$ 31,446,313</u>	<u>\$ 31,457,252</u>	<u>\$ 31,160,258</u>	<u>\$ 30,808,606</u>	<u>\$ 29,320,905</u>
\$ 12,329,752	\$ 12,497,793	\$ 12,155,820	\$ 12,167,851	\$ 11,872,604	\$ 10,882,276
13,018,446	12,643,263	11,955,503	11,112,278	10,743,642	10,466,825
<u>\$ 25,348,198</u>	<u>\$ 25,141,056</u>	<u>\$ 24,111,323</u>	<u>\$ 23,280,129</u>	<u>\$ 22,616,246</u>	<u>\$ 21,349,101</u>
\$ 33,335,294	\$ 32,259,750	\$ 31,471,901	\$ 31,522,288	\$ 31,124,598	\$ 26,797,835
7,755,863	7,249,806	7,561,190	7,161,567	6,400,090	8,649,725
15,769,962	17,077,813	16,535,484	15,756,532	15,900,164	15,222,446
<u>\$ 56,861,119</u>	<u>\$ 56,587,369</u>	<u>\$ 55,568,575</u>	<u>\$ 54,440,387</u>	<u>\$ 53,424,852</u>	<u>\$ 50,670,006</u>

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

	2015	2014	2013	2012
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 74,731	\$ 100,204	\$ 74,303	\$ 75,126
Security of Persons and Property	274,514	354,249	296,483	310,235
Public Health and Welfare	22,724	28,156	30,555	39,086
Leisure Time Activities	37,214	46,481	42,691	55,850
Community Development	13,584	17,319	14,017	11,165
Transportation	214,341	222,274	199,224	298,986
Central Services	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Subtotal - Charges for Services	<u>637,108</u>	<u>768,683</u>	<u>657,273</u>	<u>790,448</u>
Operating Grants and Contributions:				
General Government	27,555	41,121	29,497	30,039
Security of Persons and Property	3,703	10,062	7,462	2,001
Public Health and Welfare	48,452	48,916	62,369	57,057
Leisure Time Activities	92,918	96,112	99,705	89,394
Community Development	2,836	-	2,604	5,123
Transportation	535,172	455,677	465,290	478,569
Interest and Fiscal Charges	-	-	-	-
Subtotal - Operating Grants and Contributions	<u>710,636</u>	<u>651,888</u>	<u>666,927</u>	<u>662,183</u>
Capital Grants and Contributions:				
General Government	-	-	-	-
Security of Persons and Property	160,015	62,340	57,731	10,586
Transportation	62,986	114,089	155,995	33,547
Community Development	-	23,759	1,237	-
Leisure Time Activities	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Subtotal - Capital Grants and Contributions	<u>223,001</u>	<u>200,188</u>	<u>214,963</u>	<u>44,133</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,570,745</u>	<u>1,620,759</u>	<u>1,539,163</u>	<u>1,496,764</u>
Business-Type Activities:				
Charges for Services:				
Water	2,772,009	2,944,542	2,833,901	2,758,514
Sewer	2,481,044	2,512,968	2,517,070	2,624,620
Electric	10,612,139	11,008,886	10,797,108	10,260,109
Capital Grants and Contributions				
Water	-	-	-	-
Sewer	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>15,865,192</u>	<u>16,466,396</u>	<u>16,148,079</u>	<u>15,643,243</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 17,435,937</u>	<u>\$ 18,087,155</u>	<u>\$ 17,687,242</u>	<u>\$ 17,140,007</u>

	2011	2010	2009	2008	2007	2006
\$	75,132	\$ 63,034	\$ 62,892	\$ 76,508	\$ 111,451	\$ 98,555
	232,392	268,332	288,073	281,661	362,923	388,358
	32,117	22,630	34,527	15,955	19,112	19,215
	46,043	28,876	45,930	17,123	23,218	14,587
	6,069	9,454	9,737	18,393	34,679	27,440
	237,537	143,830	127,134	93,848	110,840	70,446
	-	-	-	-	-	-
	-	-	-	-	-	848
	629,290	536,156	568,293	503,488	662,223	619,449
	45,692	43,355	43,875	143,826	83,717	38,841
	3,121	10,348	7,586	30,035	14,292	27,547
	50,963	71,669	117,915	80,160	79,102	99,196
	80,713	108,149	175,749	117,812	119,663	124,377
	-	9,306	5,519	26,101	164,210	205,928
	416,398	538,701	486,474	645,691	571,252	600,652
	-	-	-	-	-	7,235
	596,887	781,528	837,118	1,043,625	1,032,236	1,103,776
	-	-	-	44,925	21,710	16,037
	61,140	4,316	4,712	3,850	2,054	-
	265,455	12,590	143,606	64,082	401,678	211,617
	5,422	-	1,498	26,112	-	-
	-	-	-	-	-	-
	-	-	40,441	26,461	59,565	40,588
	332,017	16,906	190,257	165,430	485,007	268,242
	1,558,194	1,334,590	1,595,668	1,712,543	2,179,466	1,991,467
	2,324,385	2,752,551	2,037,348	1,650,348	1,813,057	1,892,333
	2,443,723	2,399,136	2,411,085	2,348,826	2,369,498	2,321,797
	10,274,294	10,029,935	9,403,081	8,596,600	8,579,430	8,400,806
	-	-	-	-	-	-
	-	-	-	-	-	-
	15,042,402	15,181,622	13,851,514	12,595,774	12,761,985	12,614,936
\$	16,600,596	\$ 16,516,212	\$ 15,447,182	\$ 14,308,317	\$ 14,941,451	\$ 14,606,403

(continued)

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

	2015	2014	2013	2012
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 1,261,416	\$ 1,284,075	\$ 1,161,096	\$ 1,142,487
Security of Persons and Property	3,750,196	3,858,130	3,812,406	3,622,582
Public Health and Welfare	134,715	160,129	166,722	180,141
Leisure Time Activities	172,080	217,490	187,167	195,425
Community Development	207,529	263,640	209,047	138,690
Transportation	2,266,402	2,272,946	2,132,285	2,058,750
Interest and Fiscal Charges	76,020	102,505	128,543	133,033
<i>Total Governmental Activities Expenses</i>	<u>7,868,358</u>	<u>8,158,915</u>	<u>7,797,266</u>	<u>7,471,108</u>
<b>Business-Type Activities</b>				
Water	2,453,400	2,810,984	2,774,393	2,864,731
Sewer	2,316,588	2,518,925	2,338,324	2,457,752
Electric	10,817,523	10,670,785	10,115,871	10,006,040
<i>Total Business-Type Activities Expenses</i>	<u>15,587,511</u>	<u>16,000,694</u>	<u>15,228,588</u>	<u>15,328,523</u>
<i>Total Primary Government Program Expenses</i>	<u>23,455,869</u>	<u>24,159,609</u>	<u>23,025,854</u>	<u>22,799,631</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(6,297,613)	(6,538,156)	(6,258,103)	(5,974,344)
Business-Type Activities	277,681	465,702	919,491	314,720
<i>Total Primary Government Net Expense</i>	<u>(6,019,932)</u>	<u>(6,072,454)</u>	<u>(5,338,612)</u>	<u>(5,659,624)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes:				
Property Taxes levied For:				
General Purposes	\$ 773,328	\$ 775,076	\$ 794,868	\$ 821,602
Debt Service	175,351	183,582	186,950	196,464
Capital Projects	240,109	240,094	240,148	239,478
Income Tax levied for:				
General Purposes	3,808,844	3,579,967	3,668,851	3,347,157
Capital Projects	1,227,654	1,165,593	1,226,500	1,130,048
Other Taxes (1) (2)	483,353	41,274	43,701	48,618
Grants and Entitlements not Restricted to				
Specific Programs	528,279	653,965	631,703	896,214
Investment Earnings	98,770	53,622	47,471	49,631
Gain on Sale of Capital Assets	7,535	-	-	-
Miscellaneous Income	53,427	59,826	85,992	109,109
Unrestricted contributions	-	27,061	7,900	3,250
Transfers	(441,572)	-	-	-
<i>Total Governmental Activities</i>	<u>6,955,078</u>	<u>6,780,060</u>	<u>6,934,084</u>	<u>6,841,571</u>
<b>Business-Type Activities</b>				
Gain on Sale of Capital Assets	1,688	-	-	-
Miscellaneous	620	2,919	5,545	14,381
Transfers	441,572	-	-	-
<i>Total Business-Type Activities</i>	<u>443,880</u>	<u>2,919</u>	<u>5,545</u>	<u>14,381</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>7,398,958</u>	<u>6,782,979</u>	<u>6,939,629</u>	<u>6,855,952</u>
<b>Change in Net Position</b>				
Governmental Activities	657,465	241,904	675,981	867,227
Business-Type Activities	721,561	468,621	925,036	329,101
<i>Total Primary Government Change in Net Position</i>	<u>\$ 1,379,026</u>	<u>\$ 710,525</u>	<u>\$ 1,601,017</u>	<u>\$ 1,196,328</u>

Source: Respective comprehensive annual financial reports.

Note: (1) 2012 was the first year that other taxes were reported separately.

(2) 2015 was the first year that Kilowatt taxes were reported as part of other taxes.

	2011	2010	2009	2008	2007	2006
\$	1,253,538	\$ 1,167,524	\$ 1,090,030	\$ 1,300,320	\$ 1,378,161	\$ 1,171,650
	3,630,708	3,685,288	3,561,357	3,823,222	3,927,587	3,586,487
	182,119	181,171	187,020	207,226	176,382	213,065
	208,193	192,890	200,489	207,024	209,609	247,131
	120,958	136,730	141,987	320,262	297,871	598,737
	2,158,982	2,153,207	3,087,723	2,540,437	2,206,794	2,382,629
	156,333	143,550	132,198	148,957	205,519	226,277
	<u>7,710,831</u>	<u>7,660,360</u>	<u>8,400,804</u>	<u>8,547,448</u>	<u>8,401,923</u>	<u>8,425,976</u>
	2,455,719	2,535,722	2,097,816	1,939,971	1,795,754	1,652,501
	2,211,743	2,455,905	2,312,429	2,441,503	2,047,447	2,090,383
	9,533,399	9,252,218	9,178,966	8,181,764	8,075,124	7,443,978
	<u>14,200,861</u>	<u>14,243,845</u>	<u>13,589,211</u>	<u>12,563,238</u>	<u>11,918,325</u>	<u>11,186,862</u>
	<u>21,911,692</u>	<u>21,904,205</u>	<u>21,990,015</u>	<u>21,110,686</u>	<u>20,320,248</u>	<u>19,612,838</u>
	(6,152,637)	(6,325,770)	(6,805,136)	(6,834,905)	(6,222,457)	(6,434,509)
	841,541	937,777	262,303	32,536	843,660	1,428,074
	<u>(5,311,096)</u>	<u>(5,387,993)</u>	<u>(6,542,833)</u>	<u>(6,802,369)</u>	<u>(5,378,797)</u>	<u>(5,006,435)</u>
\$	895,499	\$ 936,250	\$ 911,564	\$ 1,034,659	\$ 1,018,775	\$ 919,975
	201,799	208,017	195,679	208,835	216,707	197,338
	244,633	256,654	243,117	242,991	260,139	239,346
	3,055,377	2,968,455	2,195,005	2,234,822	2,090,331	2,095,647
	975,915	961,087	2,120,497	2,149,227	2,106,634	2,050,926
	-	-	-	-	-	-
	670,001	694,228	661,857	677,972	557,878	461,827
	89,343	78,161	408,926	473,110	1,177,999	968,739
	-	-	-	-	-	3,778
	82,382	192,457	160,425	157,201	201,572	233,576
	4,296	19,522	5,060	7,740	31,967	12,993
	-	-	-	-	-	-
	<u>6,219,245</u>	<u>6,314,831</u>	<u>6,902,130</u>	<u>7,186,557</u>	<u>7,662,002</u>	<u>7,184,145</u>
	-	-	-	-	-	3,675
	21,914	91,956	568,891	631,347	423,485	449,800
	-	-	-	-	-	-
	<u>21,914</u>	<u>91,956</u>	<u>568,891</u>	<u>631,347</u>	<u>423,485</u>	<u>453,475</u>
	<u>6,241,159</u>	<u>6,406,787</u>	<u>7,471,021</u>	<u>7,817,904</u>	<u>8,085,487</u>	<u>7,637,620</u>
	66,608	(10,939)	96,994	351,652	1,439,545	749,636
	863,455	1,029,733	831,194	663,883	1,267,145	1,881,549
\$	<u>930,063</u>	<u>\$ 1,018,794</u>	<u>\$ 928,188</u>	<u>\$ 1,015,535</u>	<u>\$ 2,706,690</u>	<u>\$ 2,631,185</u>

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

	2015	2014	2013	2012
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	184,842	168,395	163,773	154,041
Assigned	52,459	117,607	7,206	16,106
Unassigned	2,581,075	2,253,996	2,355,339	2,295,875
<b>Total General Fund</b>	<b>2,818,376</b>	<b>2,539,998</b>	<b>2,526,318</b>	<b>2,466,022</b>
<b>All Other Governmental Funds</b>				
Reserved	-	-	-	-
Unreserved, Undesignated, Reported in:				
Special Revenue funds	-	-	-	-
Debt Service funds	-	-	-	-
Capital Projects funds	-	-	-	-
Nonspendable	93,080	91,394	65,387	82,491
Committed	49,000	50,000	50,000	50,000
Restricted	5,132,368	5,402,063	6,195,815	7,891,108
<b>Total All Other Governmental Funds</b>	<b>5,274,448</b>	<b>5,543,457</b>	<b>6,311,202</b>	<b>8,023,599</b>
<b>Total Governmental Funds</b>	<b>\$ 8,092,824</b>	<b>\$ 8,083,455</b>	<b>\$ 8,837,520</b>	<b>\$ 10,489,621</b>

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

\* - As Restated

\*\* - Change in Accounting Principles

Source: Respective comprehensive annual financial reports.

2011**	2010	2009*	2008	2007 (1)	2006 (1)
\$ -	\$ 74,392	\$ 100,864	\$ 48,845	\$ 8,769	\$ 67,437
-	2,188,112	2,181,534	2,174,136	2,241,834	1,894,564
153,001	-	-	-	-	-
74,755	-	-	-	-	-
2,096,842	-	-	-	-	-
<u>2,324,598</u>	<u>2,262,504</u>	<u>2,282,398</u>	<u>2,222,981</u>	<u>2,250,603</u>	<u>1,962,001</u>
-	707,709	502,906	1,075,155	964,527	3,276,378
-	2,238,470	1,927,504	2,127,236	1,978,602	1,890,894
-	408,420	354,585	416,397	460,206	511,445
-	5,109,556	5,955,187	4,887,101	3,975,081	3,942,992
73,462	-	-	-	-	-
-	-	-	-	-	-
7,547,819	-	-	-	-	-
<u>7,621,281</u>	<u>8,464,155</u>	<u>8,740,182</u>	<u>8,505,889</u>	<u>7,378,416</u>	<u>9,621,709</u>
<u>\$ 9,945,879</u>	<u>\$ 10,726,659</u>	<u>\$ 11,022,580</u>	<u>\$ 10,728,870</u>	<u>\$ 9,629,019</u>	<u>\$ 11,583,710</u>

**City of Amherst, Ohio**

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
<b>Revenues</b>				
Property and Other Taxes	\$ 1,237,617	\$ 1,238,339	\$ 1,246,626	\$ 1,308,812
Municipal Income Taxes	5,283,218	4,732,241	4,710,526	4,119,912
Kilowatt Taxes (2)	441,572	-	-	-
Charges for Services	330,066	400,023	313,445	371,670
Fees, Licenses and Permits	264,326	302,645	274,271	320,963
Fines and Forfeitures	42,716	66,015	69,557	97,815
Intergovernmental	1,440,020	1,495,492	1,506,580	1,592,383
Investment Earnings	98,770	53,622	47,471	49,631
Contributions and Donations (1)	4,615	33,906	14,645	18,515
Miscellaneous	53,427	59,826	85,653	109,109
<i>Total Revenues</i>	<u>9,196,347</u>	<u>8,382,109</u>	<u>8,268,774</u>	<u>7,988,810</u>
<b>Expenditures</b>				
Current:				
General Government	1,085,642	1,091,763	995,678	975,841
Security of Persons and Property	3,548,118	3,609,814	3,558,898	3,494,924
Public Health and Welfare	135,856	156,262	163,029	166,855
Leisure Time Activities	156,258	198,148	167,203	174,434
Community Development	216,651	263,640	209,047	138,690
Transportation	917,677	1,161,236	1,073,319	1,176,587
Capital Outlay	2,565,017	2,314,792	3,622,695	900,285
Debt Service:				
Principal Retirement	333,008	327,915	342,826	332,352
Interest and Fiscal Charges	76,837	81,323	88,180	97,980
<i>Total Expenditures</i>	<u>9,035,064</u>	<u>9,204,893</u>	<u>10,220,875</u>	<u>7,457,948</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>161,283</u>	<u>(822,784)</u>	<u>(1,952,101)</u>	<u>530,862</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	12,356	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Issuance of OPWC Loans	204,302	68,719	300,000	-
Issuance of Notes and Loans	73,000	-	-	-
Inception of Capital Lease	-	-	-	12,880
Transfers In	390,000	485,000	577,800	520,000
Transfers Out	(831,572)	(485,000)	(577,800)	(520,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(151,914)</u>	<u>68,719</u>	<u>300,000</u>	<u>12,880</u>
<i>Net Change in Fund Balances</i>	<u>\$ 9,369</u>	<u>\$ (754,065)</u>	<u>\$ (1,652,101)</u>	<u>\$ 543,742</u>
Debt Service as a Percentage of Noncapital Expenditures				
	6.0%	5.8%	6.3%	6.7%

(1) - Fiscal year 2008 was the first year that this revenue category was reported.

(2) - Fiscal year 2015 was the first year that this revenue category was reported.

Source: Respective comprehensive annual financial reports.

	2011	2010	2009	2008	2007	2006
\$	1,341,406	\$ 1,395,354	\$ 1,367,188	\$ 1,488,284	\$ 1,491,533	\$ 1,407,505
	4,241,385	4,032,726	4,141,089	5,063,361	4,178,297	4,032,808
	-	-	-	-	-	-
	274,819	306,221	330,960	250,524	261,002	221,794
	298,857	156,399	159,688	178,742	315,906	291,711
	55,614	73,536	77,645	74,222	85,315	105,945
	1,633,485	1,490,940	1,762,852	1,916,492	2,091,267	1,772,141
	89,343	78,161	408,926	473,110	1,177,999	968,739
	10,331	19,522	5,060	18,109	-	-
	82,382	192,457	160,425	157,201	223,314	259,677
	<u>8,027,622</u>	<u>7,745,316</u>	<u>8,413,833</u>	<u>9,620,045</u>	<u>9,824,633</u>	<u>9,060,320</u>
	1,064,572	965,526	888,393	1,219,811	1,290,348	1,092,691
	3,337,281	3,356,393	3,320,246	3,472,606	3,345,253	3,053,176
	169,824	177,478	183,327	200,768	172,268	208,951
	189,708	175,803	183,402	189,928	192,805	159,941
	120,958	136,730	141,987	320,262	297,871	300,383
	1,117,085	1,099,304	951,551	1,291,509	1,210,649	1,190,978
	2,367,753	1,707,790	2,270,411	1,538,156	5,043,769	3,570,263
	315,308	305,308	293,739	295,009	270,098	247,559
	125,913	116,905	125,687	120,881	133,817	176,474
	<u>8,808,402</u>	<u>8,041,237</u>	<u>8,358,743</u>	<u>8,648,930</u>	<u>11,956,878</u>	<u>10,000,416</u>
	<u>(780,780)</u>	<u>(295,921)</u>	<u>55,090</u>	<u>971,115</u>	<u>(2,132,245)</u>	<u>(940,096)</u>
	-	-	-	-	14,554	23,772
	-	-	-	-	-	1,475,000
	-	-	38,620	128,736	163,000	-
	-	-	-	-	-	189,130
	-	-	-	-	-	-
	575,711	773,461	376,113	585,000	1,305,286	1,081,722
	<u>(575,711)</u>	<u>(773,461)</u>	<u>(376,113)</u>	<u>(585,000)</u>	<u>(1,305,286)</u>	<u>(1,081,722)</u>
	-	-	38,620	128,736	177,554	1,687,902
\$	<u>(780,780)</u>	<u>(295,921)</u>	<u>\$ 93,710</u>	<u>\$ 1,099,851</u>	<u>\$ (1,954,691)</u>	<u>\$ 747,806</u>
	6.7%	6.3%	5.9%	5.6%	5.8%	6.6%

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

	2006	2007	2008	2009
<b>Water Fund</b>				
Assets	\$ 6,210,032	\$ 6,157,186	\$ 6,011,981	\$ 5,996,590
Net Position	4,447,762	4,522,029	4,308,114	4,316,123
Operating Revenue	1,959,225	1,870,021	1,726,057	2,105,825
Operating Expense	1,569,000	1,726,553	1,873,986	2,043,406
Operating Income (Loss)	390,225	143,468	(147,929)	62,419
Nonoperating:				
Interest and fiscal charges	(83,501)	(69,201)	(65,986)	(54,410)
Other, net	-	-	-	-
Changes in Net Position/Net Income	306,724	74,267	(213,915)	8,009
Number of Employees	5	5	5	5
Pumpage (millions of gallons):				
Average Day	1.52	1.52	1.55	1.52
Total Year's Pumpage	555	553	568	553
<b>Sewer Fund</b>				
Assets	\$ 20,110,331	\$ 20,017,195	\$ 19,548,491	\$ 19,227,423
Net Position	10,493,031	10,921,574	10,955,191	11,243,798
Operating Revenue	2,393,190	2,475,990	2,475,120	2,601,036
Operating Expense	1,775,374	1,707,569	2,118,306	2,013,053
Operating Income (Loss)	617,816	768,421	356,814	587,983
Nonoperating:				
Interest and fiscal charges	(315,009)	(339,878)	(323,197)	(299,376)
Other, net	-	-	-	-
Changes in Net Position/Net Income	302,807	428,543	33,617	288,607
Number of Employees	9	9	10	10
Treatment Data (millions of gallons per day)				
Minimum Day	1.53	0.97	1.10	0.10
Maximum Day	11.77	10.30	13.09	9.15
Average Day	2.62	2.31	2.43	2.13
Maximum Capacity				
Design	3.50	3.50	3.50	3.50
Hydraulic	7.50	7.00	7.00	7.00
<b>Electric Fund</b>				
Assets	\$ 9,547,975	\$ 10,291,201	\$ 10,629,476	\$ 10,817,740
Net Position	6,408,308	7,172,643	8,016,824	8,551,402
Operating Revenue	8,712,321	8,839,459	9,117,230	9,804,010
Operating Expense	7,235,603	7,852,752	8,068,826	9,102,077
Operating Income (Loss)	1,476,718	986,707	1,048,404	701,933
Nonoperating:				
Interest and fiscal charges	(115,618)	(127,447)	(112,938)	(76,889)
Loss on Investment in Joint Venture	(92,757)	(94,925)	(91,285)	(90,466)
Other, net	3,675	-	-	-
Transfers In	-	-	-	-
Changes in Net Position/Net Income	1,272,018	764,335	844,181	534,578
Number of Employees	8	8	7	7

Source: Respective comprehensive annual financial reports.

\* - As restated, see Note 20 in 2012 CAFR.

	2010	2011*	2012	2013	2014	2015
\$	6,058,097	\$ 5,870,834	\$ 5,723,917	\$ 5,727,916	\$ 5,765,218	\$ 5,894,403
	4,562,569	4,462,900	4,359,239	4,418,747	4,552,305	4,770,116
	2,782,168	2,328,245	2,761,070	2,833,901	2,944,542	2,772,009
	2,479,134	2,402,743	2,815,635	2,729,566	2,770,450	2,417,698
	303,034	(74,498)	(54,565)	104,335	174,092	354,311
	(56,588)	(52,976)	(49,096)	(44,827)	(40,534)	(35,702)
	-	-	-	-	-	1,064
	246,446	(127,474)	(103,661)	59,508	133,558	319,673
	5	5	5	5	5	5
	1.56	1.64	1.75	1.58	1.53	1.60
	570	600	637	576	559	593
\$	18,837,660	\$ 17,302,777	\$ 16,893,805	\$ 16,646,315	\$ 16,161,370	\$ 15,827,052
	11,189,196	10,437,739	10,608,053	10,791,654	10,788,616	10,752,310
	2,401,303	2,447,400	2,628,066	2,521,925	2,515,887	2,481,044
	2,170,078	1,945,078	2,211,439	2,116,774	2,314,024	2,128,873
	231,225	502,322	416,627	405,151	201,863	352,171
	(285,827)	(266,665)	(246,313)	(221,550)	(204,901)	(187,715)
	-	-	-	-	-	620
	(54,602)	235,657	170,314	183,601	(3,038)	165,076
	10	10	10	10	10	10
	1.15	1.43	1.27	1.17	1.26	1.24
	7.25	12.34	12.55	6.62	9.40	9.95
	2.05	2.86	2.27	2.24	2.42	2.16
	3.50	3.50	3.50	3.50	3.50	3.50
	7.00	7.00	7.00	7.00	7.00	7.00
\$	11,366,856	\$ 12,075,772	\$ 12,022,237	\$ 13,037,768	\$ 13,108,213	\$ 13,243,964
	9,389,291	10,447,559	10,710,007	11,391,934	11,730,035	11,099,133
	10,183,315	10,392,271	10,380,939	10,797,798	11,008,886	10,612,139
	9,169,871	9,474,168	9,953,268	9,951,522	10,525,601	10,680,628
	1,013,444	918,103	427,671	846,276	483,285	(68,489)
	(82,347)	(59,231)	(52,772)	(37,625)	(32,263)	(18,718)
	(93,208)	(103,600)	(112,451)	(126,724)	(112,921)	(118,177)
	-	-	-	-	-	624
	-	-	-	-	-	441,572
	837,889	755,272	262,448	681,927	338,101	236,812
	7	7	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 (2)	
	Assessed Value		Estimated Actual Value(1)	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2015	\$ 245,186,460	\$ 53,534,310	\$ 853,487,914	\$ 2,284,920	\$ 2,596,500
2014	243,222,770	54,469,020	850,547,971	2,193,560	2,492,682
2013	240,368,870	55,298,290	844,763,314	1,962,860	2,230,523
2012	258,815,400	57,825,180	904,687,371	1,735,160	1,971,773
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

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) - 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.
- (3) - The tangible personal property tax temporarily applies to telephone and inter-exchange telecommunications companies, which was phased out to 10% for 2009, 5% for 2010, and zero for 2011.

Tangible Personal Property (2)

General Business			Total				
Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Rate	
\$ 47,600	-	\$ -	\$ 301,053,290	\$ 856,084,414	35.17%	5.67	
45,280	-	-	299,930,630	853,040,653	35.16	5.67	
42,250	-	-	297,672,270	846,993,837	35.14	5.70	
37,060	-	-	318,412,800	906,659,144	35.12	5.70	
35,610	3	-	318,873,240	908,156,242	35.11	5.70	
242,563	3	4,851,260	317,624,311	908,948,591	34.94	5.70	
243,688	2	3,899,008	328,663,736	939,370,624	34.99	5.70	
3,939,456	2	63,031,296	324,549,296	976,116,121	33.25	5.70	
7,998,290	2	63,986,320	321,096,960	953,061,462	33.69	5.70	
11,937,746	2	63,667,979	323,199,756	947,446,031	34.11	5.75	

**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			
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
2012 for 2013	61.64	63.33	95.47	3.00	0.20	0.50	1.00	1.00	5.70	13.65	74.65	2.45
2013 for 2014	62.78	64.89	96.20	3.00	0.20	0.51	1.00	1.00	5.70	14.48	74.57	2.45
2014 for 2015	62.57	65.23	97.01	3.00	0.20	0.47	1.00	1.00	5.67	14.48	74.41	2.45
2015 for 2016	62.20	65.59	97.43	3.00	0.20	0.47	1.00	1.00	5.67	14.48	74.41	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
2015	\$ 1,385,774	\$ 1,369,020	98.79%	\$ 22,092	\$ 1,391,112	100.39%	\$ 88,867	6.41%
2014	1,388,710	1,365,009	98.29%	13,248	1,378,257	99.25%	82,803	5.96%
2013	1,380,673	1,374,191	99.53%	26,877	1,401,068	101.48%	79,188	5.74%
2012	1,454,112	1,446,202	99.46%	25,016	1,471,218	101.18%	68,932	4.74%
2011	1,504,030	1,459,375	97.03%	38,006	1,497,381	99.56%	63,348 (2)	4.21% (2)
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%

Source: Lorain County, Ohio: County Auditor

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

(2) Amount corrected by City.

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

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

<b>2015</b>		
Taxpayer	Property Assessed Valuation (1)	Percentage of Assessed Valuation
Nordson Corp	\$ 4,046,810	1.34 %
Amherst Marketplace Station LLC	2,694,040	0.89 %
Target Corporation	2,590,000	0.86 %
Amherst Plaza Limited Partnership	1,995,000	0.66 %
LRF Properties LLC	1,790,290	0.59 %
Clovervale Farms LLC	1,777,500	0.59 %
Spitzer A Team Limited Partnership	1,492,690	0.50 %
Columbia Gas of Ohio	1,314,660	0.44 %
KTM North America Inc	1,207,420	0.40 %
Lormet Community Federal Credit Union	1,071,000	0.36 %
<b>Total Ten Taxpayers Assessed Valuation</b>	<b>\$ 19,979,410</b>	<b>6.64 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 301,053,290</b>	

(1) The amounts presented represent the assessed values upon which 2014 collections were based.

<b>2006</b>		
Taxpayer	Property Assessed Valuation (2)	Percentage of Assessed Valuation
Nordson, Inc.	\$ 4,530,840	1.40 %
Amherst Plaza Limited	3,128,090	0.97 %
Acadia Amherst, LLC	2,301,250	0.71 %
Spitzer A. Team Limited	1,624,390	0.50 %
Amherst Manor Company	1,059,550	0.33 %
Centurytel of Ohio, Inc.	1,007,760	0.31 %
Central Village LTD Company	1,003,530	0.31 %
Lilley Britt C. Trustee	908,800	0.28 %
Oster Construction	891,330	0.28 %
Pinecrest Apartments LTD	884,880	0.27 %
<b>Total Ten Taxpayers Assessed Valuation</b>	<b>\$ 17,340,420</b>	<b>5.37 %</b>
<b>Total Assessed Valuation</b>	<b>\$ 323,199,756</b>	

(2) Assessed valuation based on the valuation of property for taxes collected in 2005 and review of the largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by the taxpayer in the County.

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2015	1.50%	\$ 4,997,901	\$ 2,871,810	57.46%	\$ 509,473	10.19%	\$1,616,618	32.35%
2014	1.50%	4,699,828	2,758,977	58.70%	434,982	9.26%	1,505,869	32.04%
2013	1.50%	4,734,985	2,699,203	57.01%	471,685	9.96%	1,564,097	33.03%
2012	1.50%	4,369,746	2,491,129	57.01%	377,846	8.65%	1,500,771	34.34%
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%

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

\* Amounts corrected.

Source: City Income Tax Department

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	Loans	OPWC Loans	Capital Leases	General Obligation Bonds	Notes Payable	Capital Leases	OWDA Loans	OPWC Loans				
2015	\$ 1,565,000	\$ 73,000	\$ 903,747	\$ 3,011	\$ 1,195,000	\$ -	\$ -	\$ 4,543,520	\$ 35,652	\$ 8,318,930	2.50%	\$ 692.03	
2014	1,845,000	-	749,753	5,711	1,455,000	180,000	-	4,963,002	44,300	9,242,766	2.78%	769	
2013	2,098,631	-	731,342	8,318	1,700,000	355,000	-	5,367,582	52,948	10,313,821	3.10%	858	
2012	2,362,866	-	466,650	10,836	1,935,000	515,000	-	5,757,790	61,596	11,109,738	3.34%	924	
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	

Note: Population and Personal Income data are presented on page 161.

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

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<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 Gross Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Gross Bonded Debt Per Capita</u>
2015	12,021	b	\$ 856,084,414	\$2,760,000	0.32 %	\$ 229.60
2014	12,021	b	853,040,653	3,300,000	0.39 %	274.52
2013	12,021	b	846,993,837	3,798,631	0.45 %	316.00
2012	12,021	b	906,659,144	4,297,866	0.47 %	357.53
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

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, 2015

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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	\$ 1,565,000	100 %	\$1,565,000
Capital Leases	3,011	100 %	3,011
OPWC Loans	<u>903,747</u>	100 %	<u>903,747</u>
<i>Total Direct Debt</i>	<u>2,471,758</u>		<u>2,471,758</u>
<b>Overlapping</b>			
County			
General Obligation Bonds	<u>24,385,000</u>	5.67%	<u>1,382,630</u>
<i>Total Overlapping Debt</i>	<u>24,385,000</u>		<u>1,382,630</u>
Total	<u>\$26,856,758</u>		<u>\$3,854,388</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

	2015	2014	2013	2012
Total Assessed Property Value	<u>\$ 301,053,290</u>	<u>\$ 299,930,630</u>	<u>\$ 297,672,270</u>	<u>\$ 318,412,800</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>31,610,595</u>	<u>31,492,716</u>	<u>31,255,588</u>	<u>33,433,344</u>
Debt Outstanding:				
General Obligation Bonds	\$ 2,760,000	\$ 3,300,000	\$ 3,750,084	\$ 4,297,866
Less Accreted Debt	-	-	(107,178)	(192,866)
Notes Payable	-	180,000	355,000	515,000
OPWC Loans	939,399	794,053	784,290	528,246
OWDA Loans	<u>4,543,520</u>	<u>4,963,002</u>	<u>5,367,582</u>	<u>5,757,790</u>
Total Gross Indebtedness	8,242,919	9,237,055	10,149,778	10,906,036
Less:				
General Obligation Bonds - Business Type Activities	(1,195,000)	(1,455,000)	(1,700,000)	(1,935,000)
Notes Payable - Business Type Activities	-	(180,000)	(355,000)	(515,000)
OPWC Loans - Business Type Activities	(35,652)	(44,300)	(52,948)	(61,596)
OWDA Loans - Business Type Activities	<u>(4,543,520)</u>	<u>(4,963,002)</u>	<u>(5,367,582)</u>	<u>(5,757,790)</u>
Total Net Debt Applicable to Debt Limit	<u>2,468,747</u>	<u>2,594,753</u>	<u>2,674,248</u>	<u>2,636,650</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 29,141,848</u>	<u>\$ 28,897,963</u>	<u>\$ 28,581,340</u>	<u>\$ 30,796,694</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.19%	91.76%	91.44%	92.11%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 16,557,931</u>	<u>\$ 16,496,185</u>	<u>\$ 16,371,975</u>	<u>\$ 17,512,704</u>
Total Gross Indebtedness	8,242,919	9,237,055	10,149,778	10,906,036
Less:				
General Obligation Bonds - Business Type Activities	(1,195,000)	(1,455,000)	(1,700,000)	(1,935,000)
Notes Payable - Business Type Activities	-	(180,000)	(355,000)	(515,000)
OPWC Loans - Business Type Activities	(35,652)	(44,300)	(52,948)	(61,596)
OWDA Loans - Business Type Activities	<u>(4,543,520)</u>	<u>(4,963,002)</u>	<u>(5,367,582)</u>	<u>(5,757,790)</u>
Net Debt Within 5 ½ % Limitations	<u>2,468,747</u>	<u>2,594,753</u>	<u>2,674,248</u>	<u>2,636,650</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 14,089,184</u>	<u>\$ 13,901,432</u>	<u>\$ 13,697,727</u>	<u>\$ 14,876,054</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	85.09%	84.27%	83.67%	84.94%

Source: City Financial Records

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

2011	2010	2009	2008	2007 *	2006
<u>\$ 318,873,240</u>	<u>\$ 317,624,311</u>	<u>\$ 328,663,736</u>	<u>\$ 324,549,296</u>	<u>\$ 321,096,960</u>	<u>\$ 323,199,756</u>
<u>33,481,690</u>	<u>33,350,553</u>	<u>34,509,692</u>	<u>34,077,676</u>	<u>33,715,181</u>	<u>33,935,974</u>
\$ 5,037,143 (157,147) 672,000 572,202 6,134,135	\$ 5,746,011 (126,015) 832,000 616,158 6,497,111	\$ 6,428,802 (98,805) 982,000 660,114 6,847,192	\$ 7,090,021 (75,023) 1,132,000 659,885 7,185,092	\$ 7,749,183 (54,185) 1,282,000 574,805 7,510,743	\$ 8,458,524 (36,023) 1,432,000 364,277 7,824,569
<u>12,258,333</u>	<u>13,565,265</u>	<u>14,819,303</u>	<u>15,991,975</u>	<u>17,062,546</u>	<u>18,043,347</u>
(2,414,996) (672,000) (70,244) (6,134,135)	(2,874,996) (832,000) (78,892) (6,497,111)	(3,314,997) (982,000) (87,540) (6,847,192)	(3,734,998) (1,132,000) (97,192) (7,185,092)	(4,154,998) (1,282,000) (105,839) (7,510,743)	(4,554,999) (1,432,000) (114,486) (7,824,569)
<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>	<u>4,008,966</u>	<u>4,117,293</u>
<u>\$ 30,514,732</u>	<u>\$ 30,068,287</u>	<u>\$ 30,922,118</u>	<u>\$ 30,234,983</u>	<u>\$ 29,706,215</u>	<u>\$ 29,818,681</u>
91.14%	90.16%	89.60%	88.72%	88.11%	87.87%
<u>\$ 17,538,028</u>	<u>\$ 17,469,337</u>	<u>\$ 18,076,505</u>	<u>\$ 17,850,211</u>	<u>\$ 17,660,333</u>	<u>\$ 17,775,987</u>
<u>12,258,333</u>	<u>13,565,265</u>	<u>14,819,303</u>	<u>15,991,975</u>	<u>17,062,546</u>	<u>18,043,347</u>
(2,414,996) (672,000) (70,244) (6,134,135)	(2,874,996) (832,000) (78,892) (6,497,111)	(3,314,997) (982,000) (87,540) (6,847,192)	(3,734,998) (1,132,000) (97,192) (7,185,092)	(4,154,998) (1,282,000) (105,839) (7,510,743)	(4,554,999) (1,432,000) (114,486) (7,824,569)
<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>	<u>4,008,966</u>	<u>4,117,293</u>
<u>\$ 14,571,070</u>	<u>\$ 14,187,071</u>	<u>\$ 14,488,931</u>	<u>\$ 14,007,518</u>	<u>\$ 13,651,367</u>	<u>\$ 13,658,694</u>
83.08%	81.21%	80.15%	78.47%	77.30%	76.84%

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

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**2015**

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

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**2006**

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

Source: City Tax Department

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the number of employees by employer.

**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)
2015	12,021	b \$ 332,981,700	\$ 27,700	\$ 61,458	44.6	3,065	3,937	5.4%	\$ 148,163	\$ 301,053,290
2014	12,021	b 332,981,700	27,700	61,458	44.6	3,065	3,937	6.6	147,927	299,930,630
2013	12,021	b 332,981,700	27,700	61,458	44.6	3,065	3,990	8.1	148,959	297,672,270
2012	12,021	b 332,981,700	27,700	61,458	44.6	3,065	4,168	7.7	159,920	318,412,800
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

(1) Source: U. S. Census

(a) Years 2006 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Council	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50	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	0.00	0.00	0.00
Security of Persons and Property										
Police	26.00	26.00	26.00	26.00	25.00	24.00	24.00	22.50	22.50	22.50
Police - Dispatchers/Office/Other	5.50	5.50	5.50	5.50	7.00	7.00	7.00	9.00	10.00	10.00
Fire	18.00	18.00	18.00	16.50	16.50	17.50	16.50	16.00	17.50	17.50
Public Health Services										
Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50
Social Services	1.50	1.50	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities										
Recreation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Community Development										
Building	3.00	3.00	3.00	2.00	2.00	2.00	2.00	3.50	4.00	4.00
Transportation	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	6.00
Street M&R										
Basic Utility Services										
Electric	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Utility Office	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wastewater	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
Totals	102.50	103.50	103.50	101.50	102.00	102.50	101.50	103.00	107.00	108.00

**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	2015	2014	2013	2012
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances Passed	42	49	36	42
Number of Resolutions Passed	10	2	5	9
Number of Planning Commission docket items	8	1	4	3
Zoning Board of Appeals docket items	10	25	18	22
<i><b>Finance Department</b></i>				
Number of checks/ vouchers issued	3,036	3,175	3,043	2,975
Amount of checks written	\$ 30,648,728	\$ 30,185,144	\$ 30,608,947	\$ 27,707,865
Interest earnings for fiscal year (cash basis)	\$ 83,551	\$ 48,876	\$ 55,983	\$ 65,593
Number of Receipts issued	677	642	577	576
Number of Journal Entries issued	490	437	436	422
Number of Budget Adjustments issued	5	2	2	5
Agency Ratings - Moody's Financial Services	Aa3	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	8.06%	7.97%	8.37%	7.93% *
General Fund Receipts (cash basis in thousands)	\$ 6,539	\$ 5,071	\$ 5,228	\$ 5,338
General Fund Expenditures (cash basis in thousands)	\$ 5,478	\$ 5,207	\$ 5,212	\$ 5,011
General Fund Cash Balances (in thousands)	1,061	1,025	1,124	1,110
<i><b>Income Tax Department</b></i>				
Number of Individual Returns	5,530	5,353	5,240	5,139
Number of Business Returns	1,467	1,238	1,193	1,187
Number of business withholding accounts	1,031	988	950	964
Amount of Penalties and Interest Collected	\$ 76,177	\$ 78,039	\$ 71,741	\$ 64,184
Annual number of Corporate withholding forms processed	4,319	4,235	4,282	4,087
Annual number of balance due statements forms processed	2,267	2,150	2,389	2,186
* Annual number of estimated payment forms processed	1,587	2,155	2,428	2,431
Annual number of reconciliations of withholdings processed	1,226	1,008	986	986
<i><b>Civil Service</b></i>				
Number of police entry tests administered	0	2	1	1
Number of police promotional tests administered	0	2	2	2
Number of fire promotional tests administered	2	0	0	0
Number of hires of police officers from certified lists	5	2	1	1
Number of promotions from police certified lists	0	3	1	1
Number of promotions from fire certified lists	1	0	0	0
<i><b>Building Department Indicators</b></i>				
Construction Permits Issued	773	839	941	1,013
Estimated Value of Construction	\$ 8,492,485	\$ 10,810,346	\$ 7,972,000	\$ 15,242,707
Amount of revenue generated from permits	\$ 119,242	\$ 164,258	\$ 177,628	\$ 241,743
Number of contract registrations issued	423	514	533	468
<b>Security of Persons &amp; Property</b>				
<i><b>Police</b></i>				
Total Calls for Services	9,262	10,200	10,442	10,525
Number of traffic citations issued	2,140	1,675	1,751	2,348
Number of parking citations issued	37	86	92	42
Number of criminal arrests	1,278	710	771	1,003
Number of accident reports completed	394	425	427	418
Police Dept. Auxiliary hours worked	316	236	293	470
DUI Arrests	83	87	72	54
Prisoners	183	199	138	272
Prisoner meal costs	\$ 5,962	\$ 3,395	\$ 5,147	\$ 2,834
Motor Vehicle Accidents	394	425	427	418
Fatalities from Motor Vehicle Accidents	2	0	2	0
Gasoline costs of fleet	\$ 43,162	\$ 68,530	\$ 65,559	\$ 65,897
Community Diversion Program Youths	24	30	29	22
Community Diversion Program - community service hours	168	210	203	154

	2011	2010	2009	2008	2007	2006
	70	65	47	53	84	80
	9	7	5	5	9	8
	8	11	5	19	21	27
	9	35	32	55	59	71
	2,918	2,958	3,094	3,463	3,626	3,595
\$	27,863,437	\$ 26,828,779	\$ 25,073,934	\$ 26,112,499	\$ 30,101,952	\$ 27,187,148
\$	107,092	\$ 67,858	\$ 474,036	\$ 502,538	\$ 1,018,280	\$ 877,438
	616	641	644	643	617	631
	421	432	441	469	501	518
	5	3	5	8	9	11
	Aa3	Aa3	A-2	A-2	A-2	A-2
	7.78%	7.77%	8.40%	9.00%	9.80%	6.40%
\$	5,100	\$ 4,987	\$ 4,293	\$ 4,572	\$ 4,906	\$ 4,917
\$	4,884	\$ 5,001	\$ 4,719	\$ 4,979	\$ 4,862	\$ 4,878
	725	560	556	980	1,376	1,405
	5,354	5,305	5,356	5,278	5,315	5,315
	1,174	1,136	1,174	1,194	1,146	1,112
	935	997	853	1,013	1,037	966
\$	49,690	\$ 39,144 *	\$ 47,910 *	\$ 17,946	\$ 19,292	\$ 24,728
	3,993	4,007	3,879	4,053	4,174	3,932
	1,946 *	2,216 *	2,163 *	4,500	4,200	3,600
	2,367	2,130	2,118	2,178	2,197	2,270
	904	957	897	939	1,037	979
	0	1	0	0	1	0
	3	0	0	0	0	0
	0	0	0	0	0	0
	2	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	989	775	703	672	778	841
\$	11,207,276	\$ 10,490,529	\$ 9,681,151	\$ 9,440,858	\$ 21,945,621	\$ 19,589,286
\$	136,485	\$ 160,595	\$ 173,837	\$ 134,371	\$ 255,648	\$ 261,251
	441	439	429	463	537	408
	8,765	9,698	10,418	10,243	10,662	10,675
	2,005	2,291	2,571	2,649	2,699	1,679
	96	268	223	215	316	467
	1,014	1,314	1,385	1,423	1,675	1,675
	441	445	437	449	375	385
	576	900	942	1,662	1,214	1,999
	65	97	108	153	120	130
	225	326	317	256	365	110
\$	1,070	\$ 1,632	\$ 1,086	\$ 813	\$ 4,222	\$ 7,904
	441	445	437	449	427	385
	3	1	1	1	0	1
\$	68,243	\$ 55,508	\$ 41,663	\$ 56,155	\$ 48,107	\$ 48,708
	35	41	42	82	63	83
	245	287	294	574	441	498

(continued)

**City of Amherst, Ohio**  
 Operating Indicators by Function/Program (continued)  
 Last Ten Years

Function/Program	2015	2014	2013	2012
<b>Fire</b>				
EMS Calls	151	143	110	130
Fire Calls	357	338	312	334
Fires with Loss	14	6	11	10
Fires with Losses exceeding \$10K	11	6	9	8
Fire Losses \$	\$ 792,000	\$ 211,000	\$ 401,600	\$ 323,000
Fire Safety Inspections	610	356	350	390
Number of times Mutual Aid given to Fire and EMS	35	35	17	28
Number of times Mutual Aid received for Fire and EMS	7	1	3	7
<b>Public Health and Welfare</b>				
Cemetery sale of lots	7	33	13	7
Cemetery receipts	\$ 17,654	\$ 27,903	\$ 15,540	\$ 12,420
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation Swimming pool receipts	\$ 49,776	\$ 41,453	\$ 48,644	\$ 66,724
Recreation Mens & Womens Leagues receipts	8,142	7,876	8,083	8,274
Senior Van Fees	1,062	750	1,072	1,560
Beaver Creek Facilities rentals	9,400	20,420	20,265	17,535
Total Recreation Department receipts	<u>\$ 68,380</u>	<u>\$ 70,499</u>	<u>\$ 78,064</u>	<u>\$ 94,093</u>
<b>Community Development</b>				
Grant amounts received due to Economic Development Dept.	\$ -	\$ -	\$ -	\$ 18,270
<b>Transportation</b>				
Cost of salt purchased	\$ 162,101	\$ 162,655	\$ 68,598	\$ 146,525
<b>Water Department</b>				
Water Rates per 1st 3,000 gallons of water used	16.07	19.60	19.19	13.11
Avg. number of water accounts billed monthly (Cu. Ft.)	6,194	5,916	5,920	5,908
Total Water Collections Annually (Including P&I)	\$ 2,615,867	\$ 2,868,178	\$ 2,567,413	\$ 2,510,416
Payments to Elyria and Lorain for bulk water purchases	\$ 1,281,915	\$ 1,797,961	\$ 1,704,257	\$ 1,726,522
<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)	0.789	0.879 (1)	0.803	0.830
Tons of dry sludge removed	312.01	274.88	222.41	251.78

N/A - Information not available.

\* Amount corrected in 2012 CAFR.

(1) Amount corrected during current year.

Source: City departments.

	2011	2010	2009	2008	2007	2006
	143	148	151	184	166	121
	338 *	323	378	380	376	334
	18	21	20	23	16	38
	15	18	13	15	12	10
\$	640,000	\$ 843,600	\$ 423,500	\$ 613,400	\$ 446,000	\$ 944,500
	400	450	320	300	300	290
	15	15	30	36	25	20
	5	7	7	12	8	10
	7	7	20	18	17	19
\$	10,216	\$ 14,098	\$ 22,976	\$ 18,684	\$ 11,160	\$ 21,062
\$	62,839	\$ 63,834	\$ 63,888	\$ 72,323	\$ 66,011	\$ 60,086
	7,682	9,492	9,113	10,360	8,435	9,150
	2,476	2,858	2,757	2,850	2,608	2,968
	17,330	17,275	15,520	16,890	12,910	12,490
\$	90,327	\$ 93,459	\$ 91,278	\$ 102,423	\$89,964	\$84,694
\$	32,103	\$ -	\$ -	\$ 87,284	\$ 170,854	\$ 151,518
\$	147,911	\$ 170,138	\$ 118,215	\$ 158,784	\$ 106,457	\$ 66,143
	13.11	13.17	12.63	8.50	8.70	8.91
	5,909	5,889	5,914	5,905	5,906	5,839
\$	2,234,324	\$ 2,111,159	\$ 1,855,782	\$ 1,607,416	\$ 1,666,827	\$ 1,706,332
\$	1,417,414	\$ 1,176,408	\$ 988,583	\$ 744,279	\$ 851,051	\$ 822,263
\$	25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
	1.044	0.747	0.777	0.891	0.843	0.954
	135.33	276.05	244.38	303.74	379.42	282.31

**City of Amherst, Ohio**  
 Capital Assets Statistics by Function/Program  
 Last Ten Years

Function/Program	2015	2014	2013	2012	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	13,202	13,202	13,202	13,202
Administrative Vehicles	0	0	0	0	0	0	0	0	0	0
Inspection Vehicles	0	0	0	0	0	0	0	0	0	0
Municipal Court Vehicles	0	0	0	0	0	0	0	0	0	0
Lands & Buildings Vehicles	0	0	0	0	0	0	0	0	0	0
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Vehicles	20	20	19	19	19	19	19	19	19	19
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	18,050	18,050	18,050	18,050	18,050	18,050	18,050	18,050	18,050	18,050
Vehicles	9	9	10	10	10	10	10	10	10	10
<b>Recreation</b>										
Number of Parks	6	6	6	6	6	6	6	5	5	4
Number of Pools	1	1	1	1	1	1	1	1	1	1
Number of Ice Rinks	0	0	0	0	0	0	0	0	0	0
Number of Tennis Courts	0	0	0	0	0	0	0	0	0	0
Number of Skateboarding Areas	0	0	0	0	0	0	0	0	0	0
Number of Baseball Diamonds	0	0	0	0	0	0	0	0	0	0
Number of Tot Lots	0	0	0	0	0	0	0	0	0	0
Number of Soccer Fields	3	3	3	3	3	3	3	3	3	3
Square Footage of Shelter/Bath House and Storage	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Vehicles	3	3	3	3	3	3	3	3	3	3
<b>Other Public Works</b>										
Streets (miles)	71	71	71	71	71	71	71	71	71	71
Service Vehicles	13	13	13	13	13	13	13	13	15	15
<b>Wastewater</b>										
Sanitary Sewers (miles)	69.00	69.00	69.00	69.00	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	40.00	40.00	40.00	40.00
Vehicles	4	4	4	4	4	4	4	4	4	4
<b>Water Department</b>										
Water Lines (miles)	70	70	70	70	70	70	70	70	70	70
Vehicles	6	6	6	6	6	6	6	6	4	3

Source: City departments.



# 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  
AUGUST 25, 2016**