

CITY OF AMHERST

Lorain County, Ohio

Single Audit

January 1, 2005 through December 31, 2005

Fiscal Year Audited Under GAGAS: 2005

BALESTRA, HARR & SCHERER, CPAS, INC.
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**Auditor of State
Betty Montgomery**

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 Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 31, 2006

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CITY OF AMHERST
LORAIN COUNTY, OHIO

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures.....	2
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	3
Report on Compliance With Requirements Applicable to Each Major Program And on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	5
Schedule of Finding <i>OMB Circular A-133 § .505</i>	7
Schedule of Prior Audit Findings	9
Corrective Action Plan – <i>OMB Circular A-133 §.315(c)</i>	10

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City of Amherst
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grants/State's Program	A-T-03-083-1	14.228	<u>\$351,368</u>
Total United States Department of Housing and Urban Developme:			351,368
UNITED STATES DEPARTMENT OF JUSTICE			
<i>Passed through Ohio Department of Justice</i>			
Public Safety Partnership and Community Policing Grants	DG-B02-7446	16.710	<u>52,979</u>
Total United States Department of Justic			52,979
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed through Ohio Environmental Protection Agency</i>			
Surveys, Studies, Investigations and Special Purpose Grants	CS392325-01	66.606	<u>1,157,100</u>
Total United States Environmental Protection Agenc			1,157,100
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through Ohio Department of Aging</i>			
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Citizens	N/A	93.044	<u>16,041</u>
Total United States Department of Health and Human Servic			16,041
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through Ohio Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	EMW-FG-16945	97.004	41,829
<i>Direct from Federal Government</i>			
Assistance to Firefighters Grant	N	97.044	<u>26,363</u>
Total United States Department of Homeland Securit			<u>68,192</u>
Total Federal Financial Assistanc			<u><u>\$1,645,680</u></u>

N = Direct from the federal government

N/A = Pass through entity number could not be located.

See Notes to the Schedule of Federal Awards Expenditures.

**City of Amherst
Lorain County**

*Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2005*

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards*

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

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2006, wherein we noted the City implemented GASB Statement No. 40 and Technical Bulletin 2004-002. 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.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as items 2005-001.

We also noted certain additional matters that we have reported to the City's management in a separate letter dated June 28, 2006.

City Council
City of Amherst
Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit Performed in Accordance
with *Governmental Auditing Standards*
Page 2

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

June 28, 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

To the Members of City Council:

Compliance

We have audited the compliance of the City of Amherst, Lorain County, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2005, and have issued our report thereon dated June 28, 2006, in which we indicated the City implemented GASB Statement No. 40 and GASB Interpretation 2004-2. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial and, in our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.
June 28, 2006

City of Amherst
Lorain County

Schedule of Findings
OMB Circular A-133 §.505
For the Year Ended December 31, 2005

1. Summary of Auditor's Results

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants CFDA # 14.228; Surveys, Studies, Investigations, and Special Purposes Grants CFDA #66.606
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

City of Amherst
Lorain County

Schedule of Findings
OMB Circular A-133 §.505
For the Year Ended December 31, 2005

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GAGAS**

FINDING NUMBER	2005-001
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Material Citation:

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources. Final appropriations exceeded final estimated resources in the Fire Apparatus Levy Fund by \$299,045 during 2005.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF AMHERST
LORAIN COUNTY**

**SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2004-001	Citation of Ohio Revised Code Section 5705.39. Appropriations exceeded estimated resources.	No	Not Corrected, Repeated as Finding 2005-001.
2004-002	Citation of Ohio Revised Code Section 5705.41(B). Expenditures exceeded appropriations.	No	Partially Corrected, Repeated in Management Letter.

**CITY OF AMHERST
LORAIN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 § .315 (c)
FOR THE YEAR ENDED DECEMBER 31, 2005**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person(s)
2005-001	The City will continue to monitor estimated resources versus appropriations on a monthly basis. The City will reappropriate funds in the future when deemed necessary.	December 31, 2006	City Auditor

Comprehensive Annual Financial Report



*City of
Amherst, Ohio*

For the Year Ended
December 31, 2005

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2005

Table of Contents	Page
I. Introductory Section	
Title Page.....	i
Table of Contents.....	ii
Letter of Transmittal.....	vi
GFOA Certificate of Achievement.....	xii
Organizational Chart.....	xiii
List of Principal Officials.....	xiv
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	17
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund.....	21
Street Construction, Maintenance and Repair Fund.....	22
Statement of Fund Net Assets – Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Assets – Fiduciary Funds.....	27
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	28
Notes to the Basic Financial Statements.....	29

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2005

Table of Contents Page

II. Financial Section (Continued)

Combining Statements and Individual Fund Schedules:

Combining Statements: Nonmajor Governmental Funds:

Fund Descriptions	61
Combining Balance Sheet – Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	65
Combining Balance Sheet – Nonmajor Special Revenue Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	70
Combining Balance Sheet – Nonmajor Capital Projects Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	76

Combining Statements – Fiduciary Funds:

Fund Descriptions	78
Combining Statement of Assets and Liabilities Agency Funds	79
Combining Statement of Changes in Assets and Liabilities Agency Funds	80

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

Major Funds:

General Fund.....	82
Street Construction, Maintenance and Repair Fund	87
Street Improvement Income Tax Fund.....	88
Water Fund.....	89
Sewer Fund	90
Electric Fund.....	91

Nonmajor Funds:

State Highway Fund	92
Street Maintenance and Repair Permissive Fund	93
Park and Pool Fund	94
Office on Aging Fund	95
Planning Commission Fund	96
Park Trust Fund.....	97
Cable Television Fund	98
Fire Act Grant Fund	99
EMS Training Fund	100
NIBRS Grant Fund.....	101
Sobriety Checkpoint Fund.....	102
R U OK Fund.....	103

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2005

Table of Contents Page

II. Financial Section (Continued)

Law Enforcement Fund.....	104
Drug Law Enforcement Fund.....	105
DUI Enforcement Fund.....	106
DARE Grant Fund	107
COPS Grant Fund	108
Bullet Proof Vest Fund.....	109
FEMA Grant Fund	110
Local Law Enforcement Fund.....	111
Traffic Safety Grant Fund	112
Disabled Parking Fund.....	113
Recycling Fund	114
CHIP Grant Fund	115
CDBG Downtown Fund.....	116
Housing Program Fund	117
Lorain County Driver Simulator Fund	118
General Obligation Bond Retirement Fund.....	119
Fire Apparatus Levy Fund	120
CDBG Improvements Fund	121
Permanent Improvement Fund	122
Issue II Improvement Fund	123
City Hall Auditorium Fund	124
North Lake Street Tunnel Fund.....	125
Health Insurance Fund	126
Cemetery Trust Fund	127

III. Statistical Section

Governmental Activities – Revenues by Source and Expenses by Function – Last Three Years	129
Governmental Revenues by Source and Expenditures by Function – Last Ten Years	130
Property Tax Levies and Collections – Last Ten Years	132
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	134
Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years.....	136
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	137
Computation of Legal Debt Margin.....	138
Computation of Direct and Overlapping Debt	139
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures – Last Ten Years	140
Demographic Statistics – Last Ten Years	141

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2005

Table of Contents	Page
III. Statistical Section (Continued)	
Construction and Bank Deposits – Last Ten Years.....	142
Principal Taxpayers	143
Miscellaneous Statistics.....	144



City Of Amherst

David C. Kukucka, Auditor

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

June 28, 2006

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

We are pleased to submit to you the City of Amherst's third Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2005.

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.

The Comprehensive Annual Financial Report is presented in three sections:

The Introductory Section includes the table of contents, this transmittal letter, a list of the City's principal officials, elected and appointed, City of Amherst's organizational chart and the Certificate of Achievement.

The Financial Section includes the Independent Auditor's Report, basic financial statements, including explanatory notes that provide an overview of the City's financial position and operating results, and the combining financial statements and schedules of the individual funds that provide detailed information relative to the basic financial statements.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The Reporting Entity

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

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

THE CITY

General Introduction

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

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

The City's 2000 population of 11,797 placed it as the fifth largest city in the County. The City's area is approximately 5.26 square miles, broken down by land use as follows:

Percent of Assessed Valuation of Real Property (Collection Year 2006)	
Residential	85.51%
Commercial/Industrial	14.34
Public Utility	0.02
Agricultural	0.13
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

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

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

The City owns and operates four 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 throughout the City.

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

Types of Facilities Estimated Value

City Hall & Administration Buildings(a)	\$ 4,478,810
Recreation & Park Facilities	1,621,074
Police & Jail Facility	4,039,874
Fire Stations	2,826,693
Wastewater Treatment Plant	12,578,826
Water Department Facilities	3,021,198
Sewer Department Facilities	327,845
Electric Department Facilities	6,900,578
Street Department Facilities	209,997
Cemetery	43,015
Total	\$36,047,910

(a) Including San-Spring Building, Office on Aging, old Post Office and old Utilities Office.

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 \$36,047,910, with a deductible of \$5,000.

Economic and Demographic Information

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

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

Utilities; Public Safety and Services

Water service within the City is provided by the City water system and is purchased by the City and distributed by the City to consumers. Sewage collection and disposal is provided by the City. Electricity is purchased and distributed by the City (with approximately 2% of customers supplied by Ohio Edison), and natural gas is supplied by Columbia Gas of Ohio, Inc. Fire protection is provided by the City's 32-member Volunteer Fire Department. Solid waste collection is by subscription and is provided by BFI. The City is not involved, although it does contract annually with BFI through the County to provide a Blue Bag recycling program. (The City is currently applying for another recycling grant to continue this program.) Solid waste is sent to a Lorain County landfill owned by BFI.

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 4,704 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 and 1994. Currently, the treatment plant is undergoing a major upgrade. 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 5,631 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, expiring in 2007. In 2000, the Northeast Service Group entered into a joint venture (JV1) agreement to purchase peak generation. In 2002, the City entered into an agreement with AMP-Ohio to look into the feasibility of building a new power generation plant. The City has the right to purchase power from other sources but currently does not.

The City owns and operates a water distribution system with over 70 miles of water lines. The City purchases water from the Cities of Elyria and Lorain and distributes it to approximately 5,737 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 City's contract with Elyria expires on September 30, 2015; the contract with Lorain has no stated expiration date.

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. Nordson, are located in the City. Nordson offices located in the City include, among others, divisions of their customer service center, automotive, container systems, electronics and coating business groups. Nordson has offices worldwide and is one of the world's leaders in the production of precision dispensing equipment that applies adhesives, sealants and coatings to consumer and industrial products during manufacturing operations.

The Nord Family Foundation, one of the successors to the charitable trust originally established by Walter G. Nord in 1952, is also located in the City. The Foundation has contributed over \$58 million to nonprofit organizations predominantly in northern Ohio.

The Ford Assembly Plant in the city of Lorain closed in December 2005. As a result, an estimated 770 Ford employees lost their jobs. The Econoline van, once produced at the Lorain plant, will now be produced at the Avon Lake Ford Assembly Plant. Workers from the Lorain plant with seniority will be able to continue working at the Avon Lake plant.

Amherst Hospital is now under the umbrella of The Cleveland Clinic Foundation and recently underwent a \$1 million renovation. Among other improvements, the Hospital increased its emergency room capacity from five patients to nine.

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.

Seven new housing developments have been built in the City in the past five years. Phase I of the North Pointe housing community includes homes starting in the \$300,000 range and Phase II includes homes from the \$210,000 range.

The Ohio Turnpike (I-80) exit at Route 58 in Amherst Township was completed in the fall of 2004. The City anticipates that increased access to the City from the Turnpike could spur commercial growth in the area.

In 2000, the City received a \$400,000 Community Development Block Grant (CDBG) for revitalization of the downtown area. The CDBG Revitalization Project has been very successful and a second grant in the amount of \$400,000 was approved for Fiscal Years 2004 and 2005. Half of this grant came to the City for downtown infrastructure improvements such as installing underground utilities. Money was included in the grant for administrative expenses and downtown business owners will apply for the remaining money to upgrade their buildings. The City recently received a third Grant in the amount of 400,000 for fiscal years 2006 & 2007.

The Amherst Historical Society has played a large role in promoting the history of the City, maintaining historic sites throughout the City, and bringing tourism to the City. The Society continues to develop its six-acre Sandstone Museum Center promoting the area's unique heritage of sandstone quarrying. In 2002, the Nord Family Foundation moved its headquarters to a building at this site after completing a \$1 million renovation. The Society has received voluntary assistance from Cleveland Quarries, Inc., which has the exclusive trademark on Berea Sandstone and operates both in the City and surrounding areas, to build a "Historic Quarry Initiative" which will include a replica of an 1880s era "working" sandstone quarry.

Several vacancies in the City have recently been filled. Cloverdale Foods, a food processing company, recently completed a \$325,000 renovation of the old Hills building. Cloverdale moved both its headquarters and a manufacturing facility to the City in 2004. On the Edge, a motorcycle sales and repair facility, moved into the old Penton Honda location. The Blue Sky Restaurant completed a major renovation of a Dunkin Donuts location. Kentucky Fried Chicken is building a \$450,000 new restaurant in the area. In addition to these commercial enterprises, the City has two new medical offices open in the area.

In addition, several new projects in the City were completed recently. A new banking facility for First Federal Savings of Lorain was completed in May 2006. A new restaurant (Moosehead Bar & Grille) was completed in December 2005 on Route 58. A Toyota dealership opened in June 2006 off Route 2. Community Health Partners is planning a \$5 million expansion and renovation this year for its location in the City.

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).

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Financial Reports and Audits

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

City receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor which are generally applicable to all Ohio political subdivisions. Beginning with Fiscal Year 1999, the records of these cash receipts and expenditures have been converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) including, most recently, GASB Statement 34. Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue 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.

The City has issued a Comprehensive Annual Financial Report (CAFR), including General Purpose Financial Statements for each of the Fiscal Years 1999 through 2001 and Basic Financial Statements each of the Fiscal Years 2002 through 2004. The CAFRs through Fiscal Year 2004 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 2005 CAFR to GFOA for consideration.

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

The most recent audit (including compliance audit) of the City's accounts by Balestra, Harr & Scherer, an independent accounting firm, was completed through Fiscal Year 2004. The Basic Financial Statements of the City for Fiscal Year 2005, have been audited by Balestra, Harr & Scherer, independent auditors, as stated in their report appearing in these statements.

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

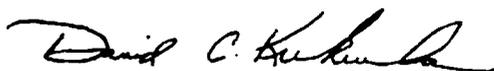
Acknowledgements

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 the Balestra, Harr & Scherer Consulting for assistance in planning, designing and reviewing this financial report .

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

Respectfully submitted,



David C. Kukucka
Amherst City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Amherst,
Ohio

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

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



Carla E. Perry

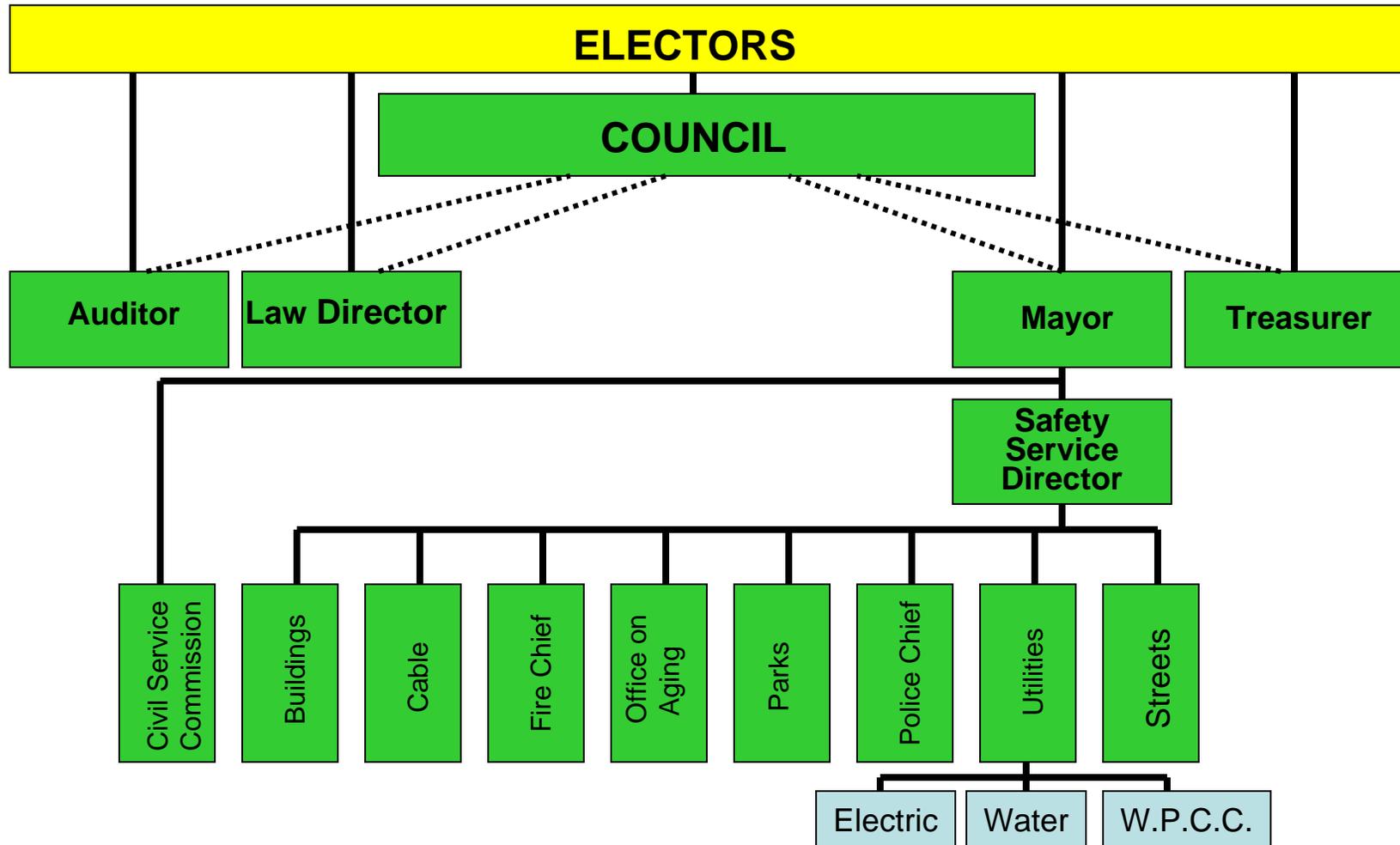
President

Jeffrey R. Emer

Executive Director

Management Structure

City of Amherst
Departmental Organizational Chart



City of Amherst, Ohio

Principal Officials

Elected Officials

Mayor	David G. Taylor
President of Council	John S. Dietrich
Council Member Ward 1	Terrence A. Traster
Council Member Ward 2	Edwin R. Cowger
Council Member Ward 3	Mark L. Costilow
Council Member Ward 4	Jennifer L. Scott-Wasilk
Council Member – At large	Nicholas Brusky
Council Member – At large	Matthew H. Barret
Council Member – At large	Peter William VanderWyden
Auditor.....	Diane Eswine/David Kukucka
Director of Law	Kenneth S. Stumphauzer
Treasurer.....	Kathleen Litkovitz

Appointed Officials

Council Clerk.....	Olga Sivinski
Secretary to the Mayor and Safety/Service Director	Jami L. Anderson
Assistant Law Director	Scott Serazin/Margaret O’Bryon
Civil Assistant to Law	Abraham Lieberman
Safety/Service Director.....	Dennis R. Clotz
Deputy Auditor	Richard Pless
Budgetary Clerk.....	Keri Celik
Income Tax Secretary	Laura Kemp
Treasurer’s Administrative Assistant.....	Karen Flynn
Acting Chief Building Inspector.....	John Calvey
Building Inspector	Ron Konowal
Utilities Superintendent	Ron Merthe
Amherst Area Office on Aging Director	Nina Lorandaeu
Police Chief	Lonnie D. Dillon
Fire Chief.....	Wayne Northeim
Park Commission Chairman.....	Gordon Brown

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2006, 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

As described in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board Statement Number 40, *Deposit and Investment Risk Disclosures – An amendment of GASB statement No. 3*, and GASB Technical Bulletin Number 2004-002, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liability by Cost-sharing Employers*.



Balestra, Harr & Scherer CPAs, Inc.
June 28, 2006

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

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, 2005. 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 2005 are:

- City income tax revenue totaled \$3,969,711.
- Total assets decreased by \$2,035,069, or a 2.9 percent decrease over 2004.
- Total net assets increased by \$409,181, or a 0.9 percent increase over 2004.
- Total net capital assets increased by \$154,394, or a 0.4 percent decrease over 2004.
- Total outstanding long-term liabilities decreased by \$1,999,937. This was a 10.6 percent decrease over 2004 and due primarily to a grant the City received that was paid to OWDA on the City's behalf.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Amherst as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did the City do financially during 2005?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 17. Fund financial reports 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 Construction, Maintenance and Repair, Street Improvement Income Tax, Water, Sewer, and Electric Funds.

Governmental Funds

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

Proprietary Funds

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

The City as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1
Net Assets

	Governmental Activities		Business Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 14,805,324	\$ 15,086,735	\$ 11,389,827	\$ 13,297,879	\$ 26,195,151	\$ 28,384,614
Capital assets, net	18,539,043	17,155,726	22,988,839	24,217,762	41,527,882	41,373,488
Total assets	33,344,367	32,242,461	34,378,666	37,515,641	67,723,033	69,758,102
Current and other liabilities	1,917,618	2,390,858	1,340,442	1,311,515	3,258,060	3,702,373
Long-term liabilities:						
Due within one year	214,877	288,884	665,751	544,667	880,628	833,551
Due in more than one year	2,640,603	2,789,142	13,288,477	15,186,952	15,929,080	17,976,094
Total liabilities	4,773,098	5,468,884	15,294,670	17,043,134	20,067,768	22,512,018
Invested in capital assets net of related debt	15,848,347	14,262,957	10,666,565	10,247,197	26,514,912	24,510,154
Restricted for:						
Capital projects	5,775,685	5,635,261	-	-	5,775,685	5,635,261
Debt service	389,713	257,053	-	-	389,713	257,053
Other purposes	1,623,160	969,055	-	-	1,623,160	969,055
Unrestricted	4,934,364	5,649,251	8,417,431	10,225,310	13,351,795	15,874,561
Total net assets	\$ 28,571,269	\$ 26,773,577	\$ 19,083,996	\$ 20,472,507	\$ 47,655,265	\$ 47,246,084

Total assets decreased by \$2,035,069 from 2004 to 2005 primarily due to the cash on hand with the city at year end due to the increased expense for construction projects.

Total liabilities decreased by \$2,444,250, primarily due to payment of long-term debt. The City received a capital grant in the amount of \$1,157,100 through OWDA that reduced the debt owed by the amount of the grant.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Table 2 shows the changes in net assets for 2005 compared with 2004.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for services	\$ 664,937	\$ 1,195,185	\$ 11,626,569	\$ 10,967,728	\$ 12,291,506	\$ 12,162,913
Operating grants and contributions	1,409,358	989,072	-	-	1,409,358	989,072
Capital grants and contributions	260,435	242,451	1,157,100	-	1,417,535	242,451
Total program revenues	2,334,730	2,426,708	12,783,669	10,967,728	15,118,399	13,394,436
General revenues:						
Property taxes	1,387,620	1,192,237	-	-	1,387,620	1,192,237
Municipal income taxes	3,969,711	3,854,278	-	-	3,969,711	3,854,278
Grants and entitlements	389,082	673,754	-	-	389,082	673,754
Investment income	518,177	301,412	-	-	518,177	301,412
Gain on sale of assets	10,798	-	-	-	10,798	-
Miscellaneous income	148,285	210,157	138,743	3,825	287,028	213,982
Total general revenues	6,423,673	6,231,838	138,743	3,825	6,562,416	6,235,663
Special Item:						
Settlement	357,378	-	-	-	357,378	-
Total revenues	9,115,781	8,658,546	12,922,412	10,971,553	22,038,193	19,630,099
Program Expenses:						
General government	951,096	2,317,483	-	-	951,096	2,317,483
Security of persons and property	3,785,329	2,855,859	-	-	3,785,329	2,855,859
Public health and welfare	205,063	209,452	-	-	205,063	209,452
Transportation	1,984,088	2,351,243	-	-	1,984,088	2,351,243
Community development	52,768	317,254	-	-	52,768	317,254
Leisure time activities	185,408	186,117	-	-	185,408	186,117
Central services	34,371	-	-	-	34,371	-
Interest and fiscal charges	119,966	128,868	-	-	119,966	128,868
Water	-	-	1,791,620	1,862,909	1,791,620	1,862,909
Sewer	-	-	3,998,887	2,038,345	3,998,887	2,038,345
Electric	-	-	8,520,416	5,900,552	8,520,416	5,900,552
Total program expenses	7,318,089	8,366,276	14,310,923	9,801,806	21,629,012	18,168,082
Increase in net assets before transfers	1,797,692	292,270	(1,388,511)	1,169,747	409,181	1,462,017
Transfers	-	(2,415)	-	2,415	-	-
Increase in net assets	1,797,692	289,855	(1,388,511)	1,172,162	409,181	1,462,017
Net Assets, Beginning of Year	26,773,577	26,483,722	20,472,507	19,300,345	47,246,084	45,784,067
Net Assets, End of Year	\$28,571,269	\$26,773,577	\$19,083,996	\$20,472,507	47,655,265	\$47,246,084

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Governmental Activities

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

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

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

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

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

Intergovernmental revenues, particularly local government subsidies have, in the past, provided a very stable, predictable and significant contribution to the City's General Fund. In 2005, 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 Office on Aging has also made new attempts to negotiate contracts with surrounding townships that closely reflect the cost of providing services to the elderly in those areas.

The City has also more aggressively pursued grants and donations to help fund particular projects that might have been funded through the general fund. Grants have helped fund park projects, police work, the renovation of City Hall, beautification efforts, and downtown revitalization. The newest piece of park property was purchased in 2003 with a Clean Ohio Air Grant with the matching money donated by a local citizen.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Interest on all City accounts, except when otherwise designated, is another source of revenue for the General Fund. In the past, interest constituted as much as 25 percent of the total budget. Now, because of the drop in interest rates, this source is much less significant.

Security of persons and property expenses have been augmented due to grant monies available to assist in various police programs offered for the safety and education of the citizens of the City of Amherst.

Business-Type Activities

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

The Water, Sewer, and Electric Funds as a whole experienced an increase in revenues from 2004 to 2005. This increase is attributable to better weather conditions we had in June of 2005, increasing the need for air conditioning and yard watering. Also, the sewer fund received a capital grant from OWDA in 2005 in the amount of \$1,157,100. Operating expenses increased in the Water Fund for personal services and contractual obligations. The water supply contract with Elyria is the main source of these increases. The City is attempting to either renegotiate this contract or mitigate the effects in some other way. The City tries to maintain the best services possible at the lowest costs possible.

Table 3
Program Expenses

	Governmental Activities		Business-Type Activities		Total	
	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2005	Net Cost of Services 2005
General government	\$ 951,096	\$ (807,213)	\$ -	\$ -	\$ 951,096	\$ (807,213)
Security of persons and property	3,785,329	(3,323,572)	-	-	3,785,329	(3,323,572)
Public health and welfare	205,063	(51,077)	-	-	205,063	(51,077)
Transportation	1,984,088	(679,581)	-	-	1,984,088	(679,581)
Community development	52,768	15,704	-	-	52,768	15,704
Leisure time activities	185,408	(12,501)	-	-	185,408	(12,501)
Central services	34,371	(30,893)	-	-	34,371	(30,893)
Interest and Fiscal Charges	119,966	(94,226)	-	-	119,966	(94,226)
Water	-	-	1,791,620	107,799	1,791,620	107,799
Sewer	-	-	3,998,887	(480,731)	3,998,887	(480,731)
Electric	-	-	8,520,416	(1,154,322)	8,520,416	(1,154,322)
Total Cost of Services	\$ 7,318,089	\$ (4,983,359)	\$ 14,310,923	\$ (1,527,254)	\$ 21,629,012	\$ (6,510,613)

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

As shown in the table on the previous page, most of the City's governmental activities rely on the general revenues, including property taxes and municipal income tax, to support the expenses, including daily operations, programs and interest, to run their departments and programs. The business-type activities funds, as a whole are receiving sufficient revenues to support the services provided to the citizens of Amherst. The Water Fund is in need of attention because of the current water contract with Elyria. This issue is being addressed.

The City's Funds

Information about the City's governmental funds begins on page 17. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$10,808,097 and expenditures and other financing uses of \$10,916,051. The most significant fund is the General Fund with a year-end balance of \$2,019,830, which included an unreserved fund balance of \$1,811,261, compared to annual expenditures of \$4,385,342. While expenditures exceeded revenues by \$3,382, this was covered by the beginning fund balance of \$2,930,352.

The Street Construction, Maintenance and Repair Fund had a year end balance of \$391,438 with revenues of \$462,436, transfers in of \$550,000 and expenditures of \$967,728. There was a net increase in fund balance of \$44,708.

The Street Improvement Income Tax Fund had a year end balance of \$4,615,412 with revenues of \$1,935,544, transfers in of \$390,938, expenditures of \$1,606,760 and transfers out of \$413,600. There was a net increase in fund balance of \$306,122.

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 2005, the City amended its General Fund budget several times for a total increase in expenditures of \$174,212. Expenditures in excess of \$25,000 must go before Council for approval. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, before being sent on to Council for Ordinance enactment on the change. Since the Appropriations Ordinance is passed on a line item level, any change to any line item is a formal amendment.

The General Fund's actual revenues exceeded final budgeted revenues by \$589,951 which was primarily due to income and property tax actual revenues exceeding final budgeted revenues by \$271,648, interest actual revenues exceeding final budgeted revenues by \$60,408, and transfers in exceeding final budget by \$287,440.

The General Fund's actual expenditures were \$740,718 less than final budgeted expenditures with one of the primary reasons due to general governmental actual expenditures being \$276,381 less than final budgeted expenditures. Actual transfers out were also \$373,867 less than the final amount budgeted.

The General Fund supports many major activities such as the Police Department, Fire Department, Building Department, as well as the legislative and executive activities. Some major capital projects are funded with General Fund dollars. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the General Fund by maintaining an unreserved cash balance of \$1,798,760 at year-end due to more actual revenues coming into the City and less actual expenditures paid out by the City than the amounts budgeted for the year.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Capital Assets and Debt Administration

Capital Assets

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 1,289,984	\$ 1,289,984	\$ 52,000	\$ 52,000	\$ 1,341,984	\$ 1,341,984
Construction in progress	-	-	-	9,357,962	-	9,357,962
Buildings	3,063,956	3,081,328	3,555,988	4,157,640	6,619,944	7,238,968
Improvements other than buildings	798,718	842,123	117,433	30,460	916,151	872,583
Machinery and equipment	1,300,874	1,259,912	14,230,354	5,399,332	15,531,228	6,659,244
Vehicles	670,894	764,481	73,884	85,163	744,778	849,644
Infrastructure:						
Roads	11,414,617	9,917,898	-	-	11,414,617	9,917,898
Water lines	-	-	2,157,794	2,224,894	2,157,794	2,224,894
Sewer lines	-	-	1,468,830	1,588,680	1,468,830	1,588,680
Electric lines	-	-	1,332,556	1,321,631	1,332,556	1,321,631
Total capital assets	<u>\$ 18,539,043</u>	<u>\$ 17,155,726</u>	<u>\$ 22,988,839</u>	<u>\$ 24,217,762</u>	<u>\$ 41,527,882</u>	<u>\$ 41,373,488</u>

Total capital assets for the City of Amherst as of December 31, 2005 were \$41,527,882. The most significant changes were in Machinery and Equipment, where a large amount of non-depreciable assets (construction in progress) moved to depreciable assets. For additional information on capital assets, see Note 7 to the basic financial statements.

The Water Pollution Control Center was completed in 2005. This project brings the City into compliance with the Ohio Environmental Protection Agency's standards.

Over the past five years, increases in utility rates in the sewer department were made in order to prepare for a major Ohio Water Development Authority loan for improvements to our wastewater treatment facility. In 2002, engineering was completed and the contract was let out for the construction in 2003, of a facility estimated at a cost of \$10,391,100. Engineering drawings, estimates and bidding had to be completed before the loan could be applied for.

Issue II funds have been a continued source of resources for improvements for several years, and our current ½% income tax for street improvements will continue to provide the necessary matching funds through 2010 when the current levy will be up for renewal.

In 2003, the City was awarded another \$400,000 Downtown Revitalization Grant through CDBG Funds for 2004 and 2005.

Other sources of grant funds have been the Nordson Corporation Foundation, Nord Family Foundation and the Nord family, who have provided funds for both City Hall restoration and for infrastructure improvements at Milan Avenue and South Lake Street for the Sandstone Historical Center.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Debt

On December 31, 2005, the City of Amherst had \$15,928,512 in bonds, loans, capital leases, compensated absences and notes outstanding with \$651,547 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding and compensated absences.

Table 5
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 2,615,759	\$ 2,779,497	\$ 4,140,000	\$ 4,495,000	\$ 6,755,759	\$ 7,274,497
Notes payable	-	-	1,585,000	1,715,000	1,585,000	1,715,000
OWDA loans	-	-	8,099,235	9,357,962	8,099,235	9,357,962
OPWC loans	70,646	77,071	83,039	89,682	153,685	166,753
Capital leases	4,291	36,201	-	27,922	4,291	64,123
Compensated absences	164,784	185,257	46,954	46,053	211,738	231,310
Total	<u>\$ 2,855,480</u>	<u>\$ 3,078,026</u>	<u>\$ 13,954,228</u>	<u>\$ 15,731,619</u>	<u>\$ 16,809,708</u>	<u>\$ 18,809,645</u>

For the governmental activities there were three general obligation bonds outstanding as of December 31, 2005. The police and jail facility bonds have a balance of \$1,975,759 as of December 31, 2005 and are to be paid off in December 2018. The capital purpose bonds, which were originally issued for \$545,000 in 1998, have a balance of \$400,000 as of December 31, 2005 and are to be paid off in December 2018. The real estate acquisition bonds, which were issued for \$295,000 in 2003 and have a balance of \$240,000, are to be paid off in September 2013.

The OPWC loans for street improvements were originally issued for \$25,000 in 2000. They are to be repaid in July 2005. In 2004, OPWC loans for street improvements were issued in the amount of \$78,496. They are to be repaid in January 2024. The capital leases are paid from monies in the General, Street Construction, Maintenance and Repair and Office of Aging Funds. All capital leases will be repaid by 2007.

For the business-type activities there are five general obligation bonds outstanding. The water capital purpose bonds, which were originally issued for \$1,165,000 in 1999, have a balance of \$865,000 as of December 31, 2005 and will be paid off in December 2018. The sewer refunding bonds, which were originally issued for \$1,298,615 in 2003, have a balance of \$1,000,029 as of December 31, 2005 and are to be paid off in December 2012. The sewer capital purpose bonds, which were originally issued for \$835,000 in 1999, have a balance of \$620,000 as of December 31, 2005 and will be paid off in December 2018. The electric refunding bonds, which were originally issued for \$761,385 in 2003, have a balance of \$604,971 as of December 31, 2005 and are to be paid off in December 2012. The electric capital purpose bonds, which were originally issued for \$1,455,000 in 1999, have a balance of \$1,050,000 as of December 31, 2005, and will be paid off in December 2018.

The OPWC loans for sewer improvements were originally issued for \$88,698 in 1998. They are to be repaid in July 2017. The capital leases are reported in the sewer fund and will be repaid with monies from that fund. All capital leases were repaid in 2005. The long-term notes payable is for electric systems improvements through AMP-Ohio and annual payments are made until 2016 when the note will be paid in full.

During 2003, work was done on restructuring some of the City's long-term obligations. Interest rates were low and the City felt it needed to take advantage of those lower rates.

Please refer to Note 12 for further information about Long-Term Obligations; and Note 13 for information about Capital Leases.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2005

Current Issues

The City of Amherst is currently in a positive cash position having a total cash balance of \$17,721,041 as of December 31, 2005. 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 bridges, with the exception of the Jackson Street Bridge, have been repaired and are in good working order. A second water tower has been added to the water distribution system; however, a study is currently underway to determine pressure problems in the system that may have to be corrected. Water meters are currently being replaced. The new Water Pollution Control Center was completed in 2005.

Economic Factors

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

Plans are in process for a large commercial development on the northwest part of the City. It is too early to know how much of the commercial development will be in Amherst and how much will be in Lorain.

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

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

In 2000, the City received a \$500,000 Community Development Block Grant (CHIP) grant for housing rehabilitation and a \$400,000 Community Development Block Grant (CDBG) for revitalization of the downtown area. The CHIP Project did not generate sufficient eligible interest to expend the full grant money. However, the CDBG Revitalization Project has been very successful and a second grant has been approved for \$400,000 for fiscal years 2004 and 2005. Half of this grant will come to the City for downtown infrastructure improvements such as installing underground utilities. Money is included in the grant for administrative expenses and downtown business owners will apply for the remaining money to upgrade their buildings.

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.

Basic Financial Statements

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City of Amherst, Ohio

Statement of Net Assets

December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,090,663	\$ 6,424,220	\$ 17,514,883
Restricted assets:			-
Customer deposits	-	178,555	178,555
Accounts receivable	87,295	2,684,870	2,772,165
Intergovernmental receivable	638,530	136,392	774,922
Prepaid items	61,292	21,716	83,008
Supplies and materials inventory	142,428	288,985	431,413
Income taxes receivable	1,542,013	-	1,542,013
Property taxes receivable	1,243,103	-	1,243,103
Investment in joint venture	-	1,655,089	1,655,089
Non-depreciable capital assets	1,289,984	52,000	1,341,984
Depreciable capital assets, net	17,249,059	22,936,839	40,185,898
Total assets	<u>33,344,367</u>	<u>34,378,666</u>	<u>67,723,033</u>
Liabilities:			
Accounts payable	322,862	507,317	830,179
Contracts payable	-	461,449	461,449
Claims payable	53,877	-	53,877
Accrued wages and benefits	104,013	51,757	155,770
Intergovernmental payable	267,341	110,542	377,883
Accrued interest payable	6,784	30,822	37,606
Unearned revenue	1,162,741	-	1,162,741
Customer deposits	-	178,555	178,555
Long-term liabilities:			
Due within one year	214,877	665,751	880,628
Due in more than one year	2,640,603	13,288,477	15,929,080
Total liabilities	<u>4,773,098</u>	<u>15,294,670</u>	<u>20,067,768</u>
Net assets:			
Invested in capital assets, net of related debt	15,848,347	10,666,565	26,514,912
Restricted for:			
Capital projects	5,775,685	-	5,775,685
Debt service	389,713	-	389,713
Other purposes	1,623,160	-	1,623,160
Unrestricted	4,934,364	8,417,431	13,351,795
Total net assets	<u>\$ 28,571,269</u>	<u>\$ 19,083,996</u>	<u>\$ 47,655,265</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Activities

For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 951,096	\$ 89,819	\$ 47,489	\$ 6,575
Security of persons and property	3,785,329	372,818	73,668	15,271
Public health and welfare	205,063	23,252	130,734	-
Transportation	1,984,088	147,808	918,110	238,589
Community development	52,768	6,795	61,677	-
Leisure time activities	185,408	20,760	152,147	-
Central services	34,371	3,478	-	-
Interest and fiscal charges	119,966	207	25,533	-
Total governmental activities	<u>7,318,089</u>	<u>664,937</u>	<u>1,409,358</u>	<u>260,435</u>
Business-type activities				
Water	1,791,620	1,899,419	-	-
Sewer	3,998,887	2,361,056	-	1,157,100
Electric	8,520,416	7,366,094	-	-
Total business-type activities	<u>14,310,923</u>	<u>11,626,569</u>	<u>-</u>	<u>1,157,100</u>
Total	<u>\$ 21,629,012</u>	<u>\$ 12,291,506</u>	<u>\$ 1,409,358</u>	<u>\$ 1,417,535</u>

General revenues:
 Property taxes levied for:
 General purposes
 Debt service
 Capital projects
 Income tax levied for:
 General purposes
 Capital projects
 Grants and entitlements not restricted to
 Specific programs
 Investment earnings
 Miscellaneous income
 Gain on sale of assets

 Total general revenues

 Special item:
 Settlement

 Change in net assets

 Net assets at beginning of year

 Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (807,213)	\$ -	\$ (807,213)
(3,323,572)	-	(3,323,572)
(51,077)	-	(51,077)
(679,581)	-	(679,581)
15,704	-	15,704
(12,501)	-	(12,501)
(30,893)	-	(30,893)
(94,226)	-	(94,226)
<u>(4,983,359)</u>	<u>-</u>	<u>(4,983,359)</u>
-	107,799	107,799
-	(480,731)	(480,731)
-	<u>(1,154,322)</u>	<u>(1,154,322)</u>
-	<u>(1,527,254)</u>	<u>(1,527,254)</u>
<u>(4,983,359)</u>	<u>(1,527,254)</u>	<u>(6,510,613)</u>
929,197	-	929,197
204,812	-	204,812
253,611	-	253,611
1,995,695	-	1,995,695
1,974,016	-	1,974,016
389,082	-	389,082
518,177	-	518,177
148,285	138,743	287,028
10,798	-	10,798
6,423,673	138,743	6,562,416
<u>357,378</u>	<u>-</u>	<u>357,378</u>
1,797,692	(1,388,511)	409,181
<u>26,773,577</u>	<u>20,472,507</u>	<u>47,246,084</u>
<u>\$ 28,571,269</u>	<u>\$ 19,083,996</u>	<u>\$ 47,655,265</u>

City of Amherst, Ohio

Balance Sheet Governmental Funds

December 31, 2005

	General	Street Construction, Maintenance and Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,825,005	\$ 394,416	\$ 3,862,912	\$ 4,733,833	\$ 10,816,166
Materials and supplies inventory	100,836	41,592	-	-	142,428
Accounts receivable	26,602	-	-	60,693	87,295
Interfund receivable	100,000	-	871,795	34,900	1,006,695
Intergovernmental receivable	311,562	228,785	-	98,183	638,530
Prepaid items	45,435	12,964	-	2,893	61,292
Income taxes receivable	971,468	-	570,545	-	1,542,013
Property taxes receivable	800,114	-	-	442,989	1,243,103
Total assets	\$ 4,181,022	\$ 677,757	\$ 5,305,252	\$ 5,373,491	\$ 15,537,522
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 38,063	\$ 41,217	\$ 216,939	\$ 26,643	\$ 322,862
Accrued wages and benefits payable	81,262	17,593	-	5,158	104,013
Interfund payable	-	-	-	1,006,695	1,006,695
Intergovernmental payable	219,410	36,691	-	11,240	267,341
Deferred revenue	1,822,457	190,818	472,901	514,531	3,000,707
Total liabilities	2,161,192	286,319	689,840	1,564,267	4,701,618
Fund balances:					
Reserved for encumbrances	107,733	34,294	898,889	1,691,647	2,732,563
Reserved for inventory	100,836	41,592	-	-	142,428
Unreserved; undesignated, reported in:					
General fund	1,811,261	-	-	-	1,811,261
Special revenue funds	-	315,552	-	1,635,870	1,951,422
Debt service fund	-	-	-	375,077	375,077
Capital projects funds	-	-	3,716,523	106,630	3,823,153
Total fund balances	2,019,830	391,438	4,615,412	3,809,224	10,835,904
Total liabilities and fund balances	\$ 4,181,022	\$ 677,757	\$ 5,305,252	\$ 5,373,491	\$ 15,537,522

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

December 31, 2005

Total Governmental Fund Balances \$10,835,904

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 18,539,043

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

Delinquent property taxes	479,413	
Municipal income taxes	1,278,191	
Intergovernmental	80,362	
Total	<u>1,837,966</u>	1,837,966

An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 220,620

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (6,784)

Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and, therefore, not reported in the funds.

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

General Obligation Bonds	(2,615,759)	
OPWC loans	(70,646)	
Capital Leases	(4,291)	
Compensated Absences	(164,784)	
Total	<u>(2,855,480)</u>	(2,855,480)

Net Assets of Governmental Activities \$28,571,269

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, 2005

	General	Street Construction, Maintenance and Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 897,532	\$ -	\$ -	\$ 439,933	\$ 1,337,465
Municipal income taxes	1,930,190	-	1,935,544	-	3,865,734
Intergovernmental	494,761	460,404	-	1,135,727	2,090,892
Charges for services	101,730	-	-	183,418	285,148
Fees, licenses and permits	315,432	-	-	-	315,432
Fines and forfeitures	60,676	-	-	3,680	64,356
Investment income	508,390	-	-	9,787	518,177
Miscellaneous income	73,249	2,032	-	123,004	198,285
Total revenues	4,381,960	462,436	1,935,544	1,895,549	8,675,489
Expenditures:					
Current:					
General government	845,171	-	-	59,190	904,361
Security of persons and property	3,152,786	-	-	88,660	3,241,446
Public health and welfare	56,083	-	-	149,773	205,856
Transportation	230,933	908,542	-	189,886	1,329,361
Central services	35,902	-	-	-	35,902
Community development	-	-	-	66,356	66,356
Leisure time activities	-	-	-	168,781	168,781
Capital outlay	63,029	29,593	1,600,335	1,178,139	2,871,096
Debt service:					
Principal retirement	1,415	27,921	6,425	197,574	233,335
Interest and fiscal charges	23	1,672	-	93,400	95,095
Total expenditures	4,385,342	967,728	1,606,760	2,191,759	9,151,589
Excess of revenues over (under) expenditures	(3,382)	(505,292)	328,784	(296,210)	(476,100)
Other financing sources (uses)					
Proceeds from sale of equipment	5,005	-	-	5,793	10,798
Transfers in	6,000	550,000	390,938	817,494	1,764,432
Transfers out	(918,145)	-	(413,600)	(432,687)	(1,764,432)
Total other financing sources (uses)	(907,140)	550,000	(22,662)	390,600	10,798
Special item:					
Proceeds from settlement	-	-	-	357,378	357,378
Net change in fund balances	(910,522)	44,708	306,122	451,768	(107,924)
Fund balance at beginning of year	2,930,352	346,730	4,309,290	3,357,456	10,943,828
Fund balance at end of year	\$ 2,019,830	\$ 391,438	\$ 4,615,412	\$ 3,809,224	\$ 10,835,904

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, 2005

Net Change in Fund Balance - Total Governmental Funds \$ (107,924)

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

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

Capital asset additions	2,290,366	
Depreciation	(907,049)	
Total	1,383,317	1,383,317

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 (loss) on the disposal of capital assets.

Proceeds from the Sale of Capital Assets	(10,798)	
Gain on Disposal of Capital Assets	10,798	
Total	0	0

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

Delinquent property taxes	50,155	
Municipal income taxes	103,977	
Intergovernmental	(82,046)	
Total	72,086	72,086

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

201,425

Repayment of capital leases obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

31,910

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

Compensated absences	20,473	
Intergovernmental	237,098	
Interest on bonds	(24,871)	
Total	232,700	232,700

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

(15,822)

Change in Net Assets of Governmental Activities

\$1,797,692

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

General Fund

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 711,043	\$ 712,120	\$ 790,765	\$ 78,645
Income taxes	1,744,979	1,747,624	1,940,627	193,003
Intergovernmental	510,955	511,729	568,243	56,514
Charges for services	77,249	77,366	85,910	8,544
Fees, licenses and permits	321,088	321,574	357,088	35,514
Contributions and donations	8,449	8,462	9,396	934
Interest	546,165	546,993	607,401	60,408
Miscellaneous	39,671	39,731	44,119	4,388
Total revenues	<u>3,959,599</u>	<u>3,965,599</u>	<u>4,403,549</u>	<u>437,950</u>
Expenditures:				
Current operations and maintenance:				
Legislative and executive	1,233,810	1,263,810	987,429	276,381
Security of persons and property	2,989,220	3,007,086	2,988,808	18,278
Public health and welfare	53,000	62,040	57,306	4,734
Community development	240,125	280,125	247,667	32,458
Total expenditures	<u>4,516,155</u>	<u>4,613,061</u>	<u>4,281,210</u>	<u>331,851</u>
Excess of revenues over (under) expenditures	<u>(556,556)</u>	<u>(647,462)</u>	<u>122,339</u>	<u>769,801</u>
Other financing sources (uses):				
Sale of capital assets	50,000	50,000	5,005	(44,995)
Transfers in	1,822,000	1,822,000	2,109,440	287,440
Advances in	100,000	100,000	-	(100,000)
Advances out	(35,000)	(35,000)	-	35,000
Transfers out	(3,318,147)	(3,395,453)	(3,021,586)	373,867
Miscellaneous	126	10,000	19,556	9,556
Total other financing sources (uses)	<u>(1,381,021)</u>	<u>(1,448,453)</u>	<u>(887,585)</u>	<u>560,868</u>
Net change in fund balance	(1,937,577)	(2,095,915)	(765,246)	1,330,669
Fund balance at beginning of year	2,412,511	2,412,511	2,412,511	-
Prior year encumbrances appropriated	151,495	151,495	151,495	-
Fund balance at end of year	<u>\$ 626,429</u>	<u>\$ 468,091</u>	<u>\$ 1,798,760</u>	<u>\$ 1,330,669</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

Street Construction, Maintenance and Repair Fund

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 799,948	\$ 335,000	\$ 457,570	\$ 122,570
Miscellaneous	3,552	1,000	2,032	1,032
Total revenues	<u>803,500</u>	<u>336,000</u>	<u>459,602</u>	<u>123,602</u>
Expenditures:				
Current operations and maintenance:				
Transportation	978,700	978,700	949,061	29,639
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,594</u>	<u>406</u>
Total expenditures	<u>1,008,700</u>	<u>1,008,700</u>	<u>978,655</u>	<u>30,045</u>
Excess of revenues over (under) expenditures	(205,200)	(672,700)	(519,053)	153,647
Other financing sources (uses):				
Transfers In	<u>-</u>	<u>467,500</u>	<u>550,000</u>	<u>82,500</u>
Net change in fund balance	(205,200)	(205,200)	30,947	236,147
Fund balance at beginning of year	275,618	275,618	275,618	-
Prior year encumbrances appropriated	<u>40,468</u>	<u>40,468</u>	<u>40,468</u>	<u>-</u>
Fund balance at end of year	<u>\$ 110,886</u>	<u>\$ 110,886</u>	<u>\$ 347,033</u>	<u>\$ 236,147</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2005

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Assets					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,145,482	\$ 3,434,083	\$ 1,844,655	\$ 6,424,220	\$ 274,497
Accounts receivable	333,779	604,213	1,746,878	2,684,870	-
Intergovernmental receivable	-	136,392	-	136,392	-
Prepaid items	4,313	8,776	8,627	21,716	-
Materials and supplies inventory	28,151	30,530	230,304	288,985	-
Total current assets	<u>1,511,725</u>	<u>4,213,994</u>	<u>3,830,464</u>	<u>9,556,183</u>	<u>274,497</u>
Noncurrent assets:					
Restricted Assets:					
Customer Deposits	58,560	21,314	98,681	178,555	-
Investment in joint venture	-	-	1,655,089	1,655,089	-
Non-depreciable capital assets	45,000	-	7,000	52,000	-
Depreciable capital assets, net	3,571,342	16,284,209	3,081,288	22,936,839	-
Total Noncurrent Assets	<u>3,674,902</u>	<u>16,305,523</u>	<u>4,842,058</u>	<u>24,822,483</u>	<u>-</u>
Total assets	<u>5,186,627</u>	<u>20,519,517</u>	<u>8,672,522</u>	<u>34,378,666</u>	<u>274,497</u>
Liabilities:					
Current liabilities:					
Accounts payable	78,219	371,219	57,879	507,317	-
Contracts payable	-	398,610	62,839	461,449	-
Claims payable	-	-	-	-	53,877
Accrued wages and benefits	9,772	20,400	21,585	51,757	-
Intergovernmental payable	20,810	67,555	22,177	110,542	-
Accrued interest payable	4,950	10,579	15,293	30,822	-
Compensated absences payable	421	1,061	15,109	16,591	-
General obligation bonds payable	50,000	168,967	146,033	365,000	-
AMP-Ohio notes payable	-	-	127,946	127,946	-
OPWC loans payable	-	6,643	-	6,643	-
OWDA loans payable	-	149,571	-	149,571	-
Payable from restricted assets:					
Customer deposits	58,560	21,314	98,681	178,555	-
Total current liabilities	<u>222,732</u>	<u>1,215,919</u>	<u>567,542</u>	<u>2,006,193</u>	<u>53,877</u>
Long-term liabilities (net of current portion):					
Compensated absences payable	7,857	19,808	2,698	30,363	-
OWDA loans payable	-	7,949,664	-	7,949,664	-
General obligation bonds payable	815,000	1,451,062	1,508,938	3,775,000	-
AMP-Ohio notes payable	-	-	1,457,054	1,457,054	-
OPWC loans payable	-	76,396	-	76,396	-
Total long-term liabilities	<u>822,857</u>	<u>9,496,930</u>	<u>2,968,690</u>	<u>13,288,477</u>	<u>-</u>
Total liabilities	<u>1,045,589</u>	<u>10,712,849</u>	<u>3,536,232</u>	<u>15,294,670</u>	<u>53,877</u>
Net assets:					
Invested in capital assets, net of related debt	2,751,342	6,481,906	1,433,317	10,666,565	-
Unrestricted	1,389,696	3,324,762	3,702,973	8,417,431	220,620
Total net assets	<u>\$ 4,141,038</u>	<u>\$ 9,806,668</u>	<u>\$ 5,136,290</u>	<u>\$ 19,083,996</u>	<u>\$ 220,620</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

For the Year Ended December 31, 2005

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Operating revenues:					
Charges for services	\$ 1,899,419	\$ 2,361,056	\$ 7,366,094	\$ 11,626,569	\$ 622,169
Other	12,746	22,523	103,474	138,743	-
Total operating revenues	<u>1,912,165</u>	<u>2,383,579</u>	<u>7,469,568</u>	<u>11,765,312</u>	<u>622,169</u>
Operating expenses:					
Personal services	292,160	763,986	726,860	1,783,006	-
Materials and supplies	112,211	357,979	181,888	652,078	-
Contract Services	1,213,692	991,904	7,087,081	9,292,677	225,455
Depreciation	131,931	680,582	175,600	988,113	-
Claims	-	3,879	-	3,879	412,536
Total operating expenses	<u>1,749,994</u>	<u>2,798,330</u>	<u>8,171,429</u>	<u>12,719,753</u>	<u>637,991</u>
Operating income	162,171	(414,751)	(701,861)	(954,441)	(15,822)
Non-operating income (expenses):					
Loss on investment in joint venture	-	-	(185,306)	(185,306)	-
Interest and fiscal charges	(41,626)	(395,845)	(163,681)	(601,152)	-
Loss on sale of capital asset	-	(804,712)	-	(804,712)	-
Total non-operating revenues (expenses)	<u>(41,626)</u>	<u>(1,200,557)</u>	<u>(348,987)</u>	<u>(1,591,170)</u>	<u>-</u>
Loss Before contributions	120,545	(1,615,308)	(1,050,848)	(2,545,611)	(15,822)
Capital Contributions - Intergovernmental	-	1,157,100	-	1,157,100	-
Change in net assets	120,545	(458,208)	(1,050,848)	(1,388,511)	(15,822)
Net assets beginning of year	4,020,493	10,264,876	6,187,138	20,472,507	236,442
Net assets end of year	<u>\$ 4,141,038</u>	<u>\$ 9,806,668</u>	<u>\$ 5,136,290</u>	<u>\$ 19,083,996</u>	<u>\$ 220,620</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, 2005

	Business Type Activities			Total	Governmental Activities- Internal Service Funds
	Water	Sewer	Electric		
Increase (decrease) in cash and cash equivalents					
Cash flows from operating activities:					
Cash received from customers	\$ 2,087,450	\$ 2,413,191	\$ 7,417,656	\$ 11,918,297	\$ -
Utility deposits received	8,230	3,680	17,130	29,040	-
Cash received from transactions with other funds	-	-	-	-	622,169
Cash received from other operating sources	12,746	2,152	5,161	20,059	-
Cash payments to suppliers for goods and services	(1,283,215)	(1,008,905)	(7,302,289)	(9,594,409)	(225,455)
Cash payments for utility deposits returned	(6,994)	(2,737)	(16,172)	(25,903)	-
Cash payments for claims	-	(3,879)	-	(3,879)	(400,000)
Cash payments for employee services and benefits	(358,118)	(733,067)	(750,176)	(1,841,361)	-
Net cash provided by operating activities	460,099	670,435	(628,690)	501,844	(3,286)
Cash flows from capital and related financing activities:					
Debt proceeds	-	241,196	-	241,196	-
Capital grant	-	1,157,100	-	1,157,100	-
Acquisition of capital assets	(33,406)	(696,571)	(147,021)	(876,998)	-
Principal paid	(50,000)	(1,700,339)	(269,149)	(2,019,488)	-
Interest paid	(40,010)	(419,731)	(131,772)	(591,513)	-
Net cash provided by (used for) capital and related financing activities	(123,416)	(1,418,345)	(547,942)	(2,089,703)	-
Net increase (decrease) in cash and cash equivalents	336,683	(747,910)	(1,176,632)	(1,587,859)	(3,286)
Cash and cash equivalents, beginning of year	867,359	4,203,307	3,119,968	8,190,634	277,783
Cash and cash equivalents, end of year	\$ 1,204,042	\$ 3,455,397	\$ 1,943,336	\$ 6,602,775	\$ 274,497

See accompanying notes to the basic financial statements.

(Continued)

City of Amherst, Ohio

Statement of Cash Flows (continued) Proprietary Funds

For the Year Ended December 31, 2005

	Water	Sewer	Electric	Total	Governmental Activities- Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:					
Operating Income	\$ 162,171	\$ (414,751)	\$ (701,861)	\$ (954,441)	\$ (15,822)
Adjustments:					
Depreciation	131,931	680,582	175,600	988,113	-
(Increase)/decrease in assets:					
Accounts receivable	193,428	30,821	(46,751)	177,498	-
Prepaid items	65	(958)	(886)	(1,779)	-
Materials and supplies inventory	10,261	(1,837)	(49,256)	(40,832)	-
Increase/(decrease) in liabilities:					
Accounts payable	32,362	348,741	14,838	395,941	-
Claims payable	-	-	-	-	12,536
Customer deposits	(4,161)	(4,025)	5,640	(2,546)	-
Accrued wages and benefits	(737)	777	(1,205)	(1,165)	-
Intergovernmental payable	(65,270)	29,832	(22,652)	(58,090)	-
Held and due others	-	943	-	943	-
Compensated absences payable	49	310	(2,157)	(1,798)	-
Net cash provided by operating activities	<u>\$ 460,099</u>	<u>\$ 670,435</u>	<u>\$ (628,690)</u>	<u>\$ 501,844</u>	<u>\$ (3,286)</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2005

	Private Purpose Trust	
	Cemetery	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 4,061	\$ 21,053
Cash and cash equivalents in segregated accounts	-	2,489
Total Assets	<u>4,061</u>	<u>\$ 23,542</u>
Liabilities:		
Deposits held and due to others	-	<u>\$ 23,542</u>
Net assets:		
Held in trust for cemetery	<u>\$ 4,061</u>	

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Fund

For the Year Ended December 31, 2005

	Private Purpose Trust <hr/> Cemetery <hr/>
Additions:	
Interest	\$ 133
Deduction	<hr/> 95
Change in net assets	38
Net assets beginning of year	<hr/> 4,023
Net assets end of year	<hr/> <u>\$ 4,061</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, 2005

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 Sandstone Joint Ambulance District and the Ohio Municipal Electric Generation Agency (JV2) joint ventures. These organizations are discussed in Notes 14 and 15 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 (U.S. 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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its governmental and business-type activities and to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The 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, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Amherst and/or the general laws of Ohio.

Street Construction Maintenance and Repair Special Revenue Fund

This fund is used to account for the portion of the State gasoline tax and motor vehicle license fees that are designated for maintenance of streets within the City.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Street Improvement Income Tax Capital Projects Fund

This fund is used to account for .5 percent of the City income tax to be used for improvements to the various City roads.

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

Proprietary Funds

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

Enterprise Funds

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

Water Fund

The Water Fund accounts for the provision of water service to the residents and commercial users located within the City.

Sewer Fund

The Sewer Fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

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.

Internal Service Funds

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

Fiduciary Funds

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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,

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

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 Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetary Process

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

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 final appropriations were passed by Council.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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 cash equivalents."

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 2005, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2005 amounted to \$508,390 and \$9,787 in nonmajor governmental funds.

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

G. Inventory

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

H. Prepaid Items

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

I. 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.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water, sewer and electric lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated, except for land 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

K. Interfund Balances

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

L. Compensated Absences

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

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.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

N. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and inventory.

O. Net Assets

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

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

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 this definition are reported as non-operating.

Q. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 2: Summary of Significant Accounting Policies (Continued)

Q. Interfund Activity (Continued)

particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The city had no extraordinary items. The City reported one special item for the proceeds from the settlement of a lawsuit.

S. Estimates

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

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 generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General and Street Construction, Maintenance and Repair Funds 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 a reservation of fund balance (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 3: Budgetary Basis of Accounting (Continued)

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

	<u>Net Change in Fund Balance</u>	
	General	Street Construction Maintenance and Repair
GAAP Basis	\$ (910,522)	\$ 44,708
Net adjustment for revenue accruals	2,144,585	(2,834)
Net adjustment for expenditures	(1,874,412)	36,455
Encumbrances	(124,897)	(47,382)
Budget Basis	<u>\$ (765,246)</u>	<u>\$ 30,947</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 deposit 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 any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to 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;

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 4: Deposits and Investments (Continued)

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, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the District's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the District's total average portfolio.

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 4: Deposits and Investments (Continued)

Deposits

Custodial credit risk for deposits is the risk that in the even of bank failure, the government's deposit will not be returned to it.

At year-end, the carrying amount of the City's deposits was \$3,619,860, and the bank balance was \$5,112,160. Of the bank balance:

1. \$200,000 was covered by federal depository insurance;
2. \$4,912,160 was uninsured and uncollateralized and subject to custodial credit risk. Although the securities serving as collateral were held by the pledging financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

Investments

The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The City's investments in STAROhio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Carrying/Fair Value	Weighted Average Maturity (Years)
STAR Ohio	\$ 1,801,758	< 1 year
Federal Home Loan Bank	493,485	More than 1 year
Federal Home Loan Mortgage Corp	11,064,037	More than 1 year
Federal National Mortgage Association	741,901	More than 1 year
Total Investments	<u>\$ 14,101,181</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.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its investments to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, and STAR Ohio. Investments in Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes were all rated AAA by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAM by Standard and Poor's.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 4: Deposits and Investments (Continued)

Investments (Continued)

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 13% in STAROhio, 5% in Federal National Mortgage Association, 79% in Federal Home Loan Mortgage Corporation, and 3% in Federal Home Loan Bank.

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. 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, 2005, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

A. Property Tax

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$5.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 283,657,140
Public Utility	3,307,850
Tangible Personal	13,687,020
	<u>\$ 300,652,010</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 5: Receivables (Continued)

A. Property Tax (Continued)

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the General, General Obligation Bond Retirement and the Fire Apparatus Levy Funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue, while the remainder of the receivable is unearned.

B. Income Tax

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

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 145,760
Inheritance estate tax	63,336
Homestead and rollback	157,154
Liquor and beer permits	1,385
Motor Vehicle and Gas Excise Tax	247,335
Permissive Tax	4,759
Grants	18,801
	<u>\$ 638,530</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2005 consisted of the following:

<u>Fund Type</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 6,000	\$ 918,145
Street Maintenance and Repair	550,000	-
Street Improvement Income Tax	390,938	413,600
Other Non-major Governmental Funds:		
Office on Aging	100,000	-
Park Trust Fund	-	31,100
Fire Apparatus Levy	-	4,648
FEMA	4,648	-
NIBRS Grant Fund	6,196	-
COPS Grant	24,950	-
Recycling	47,000	-
Chip Grant	-	6,000
CDBG 2004/2005	187,100	-
Debt Service	190,000	-
CDBG Renovation	31,100	-
State Issue 2 - West	-	16,243
State Issue 2 (15)	-	53,795
Middle Ridge Sewer Imp	-	17,226
Cooper Foster Bridge	-	66,119
Issue II Round 16	-	114,689
Issue II S. Lake	-	3,681
Issue II (RD 5)	-	42,198
Issue II (RD 8)	-	1,897
Issue II (RD 9)	-	71,026
Issue II (RD 14)	-	4,065
Issue II Rd 19 Church	226,500	-
Total Other Non-major Governmental Funds	<u>817,494</u>	<u>432,687</u>
Total All Funds	<u>\$ 1,764,432</u>	<u>\$ 1,764,432</u>

The General Fund transfers to the Non-major governmental funds and to the Street Maintenance and Street Improvement Income Tax Funds were made to provide additional resources for current operations, and to meet matching fund requirements for some grants. The Street Improvement transfer to the Non-major governmental funds was made to provide additional resources for current street projects. The transfer from the Chip Grant Fund to the General Fund was made to close out this fund. The transfers from the other Non-major governmental funds were made to the Street Maintenance and Repair Fund to close out these funds as the Street and Maintenance Repair Fund had originally provided the resources to these funds for street projects. All transfers were made in accordance with the Ohio Revised Code.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 6: Interfund Transfers and Balances (Continued)

B. As of December 31, 2005, interfund balances were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 100,000	
Street Improvement Income Tax	871,795	
Nonmajor Capital Projects Funds:		
CDBG Renovation	34,900	-
Issue II (15)	-	325,795
Issue II Rd 19 Church	-	326,000
Issue II Rd 20	-	20,000
Total Nonmajor Capital Projects Funds	<u>34,900</u>	<u>671,795</u>
Nonmajor Special Revenue Funds:		
Park Trust	-	34,900
CDBG 2004/2005	-	300,000
Total Nonmajor Special Revenue Funds	<u>-</u>	<u>334,900</u>
Total All Funds	<u>\$ 1,006,695</u>	<u>\$ 1,006,695</u>

Interfund receivable/payable balances at December 31, 2005, consisted of an advance from the Street Improvement Income Tax fund to the Issue II (15), Issue II Round 19 Church and Issue II Round 20 Capital Projects funds and to the CDBG 2004/2005 Nonmajor Special Revenue fund and an advance from the CDBG Renovation Nonmajor Capital Projects fund to the Park Trust Nonmajor Special Revenue fund to provide additional resources for current projects.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 7: Capital Assets

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,289,984	\$ -	\$ -	\$ 1,289,984
Capital assets, being depreciated:				
Buildings	4,337,862	92,946	-	4,430,808
Improvements other than buildings	1,119,987	9,755	-	1,129,742
Machinery and equipment	2,146,000	220,488	-	2,366,488
Vehicles	2,072,524	69,306	(123,165)	2,018,665
Infrastructure:				
Roads	13,563,294	1,897,871	-	15,461,165
Total capital assets, being depreciated	<u>23,239,667</u>	<u>2,290,366</u>	<u>(123,165)</u>	<u>25,406,868</u>
Less accumulated depreciation:				
Buildings	(1,256,534)	(110,318)	-	(1,366,852)
Improvements other than buildings	(277,864)	(53,160)	-	(331,024)
Machinery and equipment	(886,088)	(179,526)	-	(1,065,614)
Vehicles	(1,308,043)	(162,893)	123,165	(1,347,771)
Infrastructure:				
Roads	(3,645,396)	(401,152)	-	(4,046,548)
Total accumulated depreciation	<u>(7,373,925)</u>	<u>(907,049)</u>	<u>123,165</u>	<u>(8,157,809)</u>
Total capital assets, being depreciated, net	<u>15,865,742</u>	<u>1,383,317</u>	<u>-</u>	<u>17,249,059</u>
Total governmental capital assets, net	<u>\$ 17,155,726</u>	<u>\$ 1,383,317</u>	<u>\$ -</u>	<u>\$ 18,539,043</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 7: Capital Assets (Continued)

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
Business-type activities:				
Capital assets, not being depreciated:				
Construction-in-progress	\$ 9,357,962	\$ 241,196	\$ (9,599,158)	\$ -
Land	52,000	-	-	52,000
Total capital assets, not being depreciated	<u>9,409,962</u>	<u>241,196</u>	<u>(9,599,158)</u>	<u>52,000</u>
Capital assets, being depreciated:				
Buildings	5,583,874	31,212	(922,549)	4,692,537
Improvements other than buildings	63,424	91,653	-	155,077
Machinery and equipment	7,748,453	9,653,302	(808,918)	16,592,837
Vehicles	532,747	24,881	-	557,628
Infrastructure:				
Water lines	3,793,515	-	-	3,793,515
Sewer lines	4,197,078	40,000	-	4,237,078
Electric lines	1,793,425	80,816	-	1,874,241
Total capital assets, being depreciated	<u>23,712,516</u>	<u>9,921,864</u>	<u>(1,731,467)</u>	<u>31,902,913</u>
Less accumulated depreciation:				
Buildings	(1,426,234)	(102,820)	392,505	(1,136,549)
Improvements other than buildings	(32,964)	(4,680)	-	(37,644)
Machinery and equipment	(2,349,121)	(547,612)	534,250	(2,362,483)
Vehicles	(447,584)	(36,160)	-	(483,744)
Infrastructure:				
Water lines	(1,568,621)	(67,100)	-	(1,635,721)
Sewer lines	(2,608,398)	(159,850)	-	(2,768,248)
Electric lines	(471,794)	(69,891)	-	(541,685)
Total accumulated depreciation	<u>(8,904,716)</u>	<u>(988,113)</u>	<u>926,755</u>	<u>(8,966,074)</u>
Total capital assets, being depreciated, net	<u>14,807,800</u>	<u>8,933,751</u>	<u>(804,712)</u>	<u>22,936,839</u>
Total business-type capital assets, net	<u>\$ 24,217,762</u>	<u>\$ 9,174,947</u>	<u>\$(10,403,870)</u>	<u>\$ 22,988,839</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 7: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 74,445
Security of persons and property	322,253
Public health and welfare	5,723
Transportation	488,216
Leisure time activities	16,412
Total depreciation expense	<u>\$ 907,049</u>

Note 8: Pension Plans

A. Ohio Public Employees Retirement System

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

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

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

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the traditional pension plan. City employees are required to contribute 8.5% of their annual covered salary to fund pension obligations and the City is required to contribute 13.55%. The City's contributions to OPERS for the years ending December 31, 2005, 2004, and 2003 were \$404,378, \$375,965, and

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 8: Pension Plans (Continued)

\$372,435 respectively. The full amount has been contributed for 2004 and 2003. 72.7 percent has been contributed for 2005, with the remainder being presented as “intergovernmental payable” in the governmental activities column of the Statement of Net Assets.

B. Ohio Police and Fire Pension Fund

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

Police are required to contribute 10% of their annual covered salary and the city is required to contribute 19.5% for police. The City’s contributions to OP&F for the years ended December 31, 2005, 2004, and 2003 were \$232,932, \$159,351, and \$159,300, respectively. The full amount has been contributed for 2004 and 2003. 71.2 percent has been contributed for 2005 with the remainder being presented as “intergovernmental payable” in the governmental activities column of the Statement of Net Assets.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System or the Police and Fire Pension Fund are covered by Social Security. As of December 31, 1998, the City’s volunteer firefighters are covered by Social Security. The City’s liability is 6.2 percent of wages paid.

Note 9: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit enrolled in the Traditional or Combined Plans. Members of the Member-Defined Plan do not qualify for ancillary benefits, including post-employment health care coverage. Health care coverage for disability benefit and qualified survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB No. 12. A portion of each employer’s contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 employer contribution rate was 13.55% of covered payroll; of which 4% was used to fund health care for 2005.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS’s latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of .50% to 6.3% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 9: Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

The traditional pension and combined plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. The City's actual contributions for 2005 which were used to fund postemployment benefits were \$119,372. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen whether or not the child is attending school or under the age of twenty-two if attending school full-time or on a two thirds basis.

The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$83,856 for police. The OP&F's total health care expenses for the year ended December 31, 2004 (the latest information available) were \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, (the latest information available) was 13,812 for police and 10,528 for firefighters.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 10: Compensated Absences

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

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

Note 11: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005, 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	Arrowhead Public Risk	\$36,047,910
General liability	Arrowhead Public Risk	1 million per occurrence
	Arrowhead Public Risk	2 million general aggregate
Automobile fleet liability	Arrowhead Public Risk	1 million per occurrence
Stop gap liability	Arrowhead Public Risk	1 million per occurrence
Employee benefits liability	Arrowhead Public Risk	1 million
Employment practices liability	Arrowhead Public Risk	1 million annual aggregate
Police professional	Arrowhead Public Risk	1 million/3 million
Public officials liability	Arrowhead Public Risk	1 million/1 million
Umbrella liability	Arrowhead Public Risk	8 million

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

B. Workers' Compensation

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

C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription and dental coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 11: Risk Management (Continued)

C. Medical (Continued)

uninsured risks of loss in this program. Employees who are members of the AFSCME union also receive vision coverage. Patrolmen were given vision coverage through AFSCME in addition to union members. All are subject to the deductible. The third party administrators review and pay all claims on behalf of the City. Covered employees are in a traditional medical plan with a \$200-per-year individual deductible and a \$400-per-year family deductible. The dental plan has a \$50-per-year individual deductible and a \$150-per-year family deductible. The City purchases a stop-loss insurance policy with coverage of \$284,810 in aggregate for all employees.

The claims liability of \$53,877, reported in the self-insurance fund at December 31, 2005, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2003	\$ 118,386	\$ 463,497	\$ 518,920	\$ 62,963
2004	62,963	280,779	302,401	41,341
2005	41,341	412,536	400,000	53,877

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
General Obligation Bonds				
Police and Jail facility	2003	2.00-4.25%	\$ 2,195,000	12/1/18
Capital purpose	1998	3.50-4.55	545,000	12/1/18
Real estate acquisition bonds	2003	2.50-4.625	295,000	12/1/13
Water capital purpose bonds	1999	4.55	1,165,000	12/1/18
Sewer refunding bonds	2003	2.00-5.75	1,258,615	12/1/12
Sewer capital purpose bonds	1999	4.55	835,000	12/1/18
Electric refunding bonds	2003	2.00-5.75	761,385	12/1/12
Electric capital purpose bonds	1999	4.55	1,455,000	12/1/18
Notes				
AMP-Ohio Electric System improvement notes	2000	2.35	2,200,000	12/31/20
OWPC Loans				
Quarry Road Bridge	2000	0.00	25,000	7/1/05
Milan Avenue	2004	0.00	78,496	1/1/24
Church Street	1997	0.00	44,150	7/1/17
Martin Avenue	1998	0.00	88,698	1/1/19
OWDA Loans	2004	3.65	9,599,158	7/1/24

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 12: Long-Term Obligations (Continued)

A schedule of changes in bonds and other long-term obligations of the City during 2005 follows:

	Amount Outstanding 12/31/2004	Additions	Reductions	Amount Outstanding 12/31/2005	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Police and Jail Facility	\$ 2,084,497	\$ 31,262	\$ 140,000	\$ 1,975,759	\$ 145,000
Capital Purpose	425,000	-	25,000	400,000	25,000
Real Estate Acquisition Bonds	270,000	-	30,000	240,000	30,000
Total General Obligation Bonds	<u>2,779,497</u>	<u>31,262</u>	<u>195,000</u>	<u>2,615,759</u>	<u>200,000</u>
OPWC loans	77,071	-	6,425	70,646	3,925
Capital Lease	36,201	-	31,910	4,291	2,574
Compensated Absences	185,257	164,784	185,257	164,784	8,378
Total Governmental Activities	<u>\$ 3,078,026</u>	<u>\$ 196,046</u>	<u>\$ 418,592</u>	<u>\$ 2,855,480</u>	<u>\$ 214,877</u>
-					
Business-Type Activities:					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 915,000	\$ -	\$ 50,000	\$ 865,000	\$ 50,000
Sewer Refunding Bonds	1,130,880	-	130,851	1,000,029	133,967
Sewer Capital Purpose Bonds	655,000	-	35,000	620,000	35,000
Electric Refunding Bonds	684,120	-	79,149	604,971	81,033
Electric Capital Purpose Bonds	1,110,000	-	60,000	1,050,000	65,000
Total General Obligation Bonds	<u>4,495,000</u>	<u>-</u>	<u>355,000</u>	<u>4,140,000</u>	<u>365,000</u>
AMP-Ohio Electric Systems Improvement	1,715,000	-	130,000	1,585,000	127,946
OPWC loans	89,682	-	6,643	83,039	6,643
OWDA - WWTP Upgrade	9,357,962	241,196	1,499,923	8,099,235	149,571
Capital Lease	27,922	-	27,922	-	-
Compensated Absences	46,053	46,954	46,053	46,954	16,591
Total Business-Type Activities	<u>\$ 15,731,619</u>	<u>\$ 288,150</u>	<u>\$ 2,065,541</u>	<u>\$ 13,954,228</u>	<u>\$ 665,751</u>

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

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

Capital leases will be paid from the General Fund; Street Construction, Maintenance and Repair and Office on Aging Special Revenue Funds.

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 12: Long-Term Obligations (Continued)

The City's overall legal debt margin was \$28,552,865 at December 31, 2005. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005 are as follows:

	Governmental Activities			Totals	
	General Obligation Bonds		OPWC	Principal	Interest
	Principal	Interest	Loans		
2006	\$ 200,000	\$ 88,875	\$ 3,925	\$ 203,925	\$ 88,875
2007	200,000	84,225	3,925	203,925	84,225
2008	205,000	78,901	3,925	208,925	78,901
2009	210,000	72,987	3,925	213,925	72,987
2010	210,000	66,475	3,925	213,925	66,475
2011-2015	845,000	486,836	19,625	864,625	486,836
2016-2020	685,000	59,355	19,625	704,625	59,355
2021-2024	-	-	13,734	13,734	-
Totals	<u>\$ 2,555,000</u>	<u>\$ 937,654</u>	<u>\$ 72,609</u>	<u>\$ 2,627,609</u>	<u>\$ 937,654</u>

The above amortization schedule does not agree to the general obligation bonds payable amount on the previous page due to the fact that it does not include the Capital Appreciation Bonds that will be due in 2013 and 2014 in the amount of \$255,000. Capital Appreciation Bonds were accreted in the amount of \$31,262 for fiscal year 2005.

	Business-Type Activities							Totals	
	General Obligation Bonds		Notes		OWDA Loans		OPWC	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Loans		
2006	\$ 365,000	\$ 175,231	\$ 127,946	\$ 37,248	\$ 149,571	\$ 147,811	\$ 6,642	\$ 649,159	\$ 360,290
2007	370,000	162,520	130,953	34,241	307,380	287,383	6,642	814,975	484,144
2008	390,000	149,198	134,030	31,163	318,702	276,062	6,642	849,374	456,423
2009	390,000	134,475	137,180	28,014	330,441	264,323	6,642	864,263	426,812
2010	410,000	119,120	140,403	24,790	342,612	252,152	6,642	899,657	396,062
2011-2015	1,500,000	342,543	753,087	72,878	1,911,906	1,061,909	33,215	4,198,208	1,477,330
2016-2020	715,000	65,873	161,401	3,793	2,290,925	682,891	16,614	3,183,940	752,557
2021-2025	-	-	-	-	2,447,698	228,736	-	2,447,698	228,736
Totals	<u>\$ 4,140,000</u>	<u>\$ 1,148,960</u>	<u>\$ 1,585,000</u>	<u>\$ 232,127</u>	<u>\$ 8,099,235</u>	<u>\$ 3,201,267</u>	<u>\$ 83,039</u>	<u>\$ 13,907,274</u>	<u>\$ 4,582,354</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 13: Capital Leases

The City has an existing lease for a Ford Focus. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." The equipment acquired has been capitalized in the Governmental Activities in the amount of \$18,350. The net value of the leased property at December 31, 2005 is \$10,895.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments:

December 31, 2005	Governmental Activities
2006	\$ 2,752
2007	1,816
Total minimum lease payments	4,568
Less: amount representing interest	277
Present value of minimum lease payments	\$ 4,291

Capital lease payments have been reclassified and reflected as debt service in the fund financial statement for the General and Street Construction, Maintenance and Repair and Office of Aging Special Revenue Funds and as a reduction of the liability in the Sewer Enterprise Fund. The capital lease related to the Sewer Enterprise Fund was paid off during 2005.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 14: Jointly Governed Organizations

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 \$39,036 during 2005 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 15: Joint Ventures

A. Sandstone Joint Ambulance District

The City is a participant in a joint venture agreement with Amherst Township for the operation of the Sandstone Joint Ambulance District (Ambulance District) as provided in the Ohio Revised Code. The City and the Township each appoint two members of the five-member Board of Trustees which oversees the operations. The fifth member of the Board is appointed by Amherst Hospital. The Sandstone Joint Ambulance District has contracted with North Central Emergency Medical Service to provide ambulance services. Continued existence of the Ambulance District is dependent on the City's continued participation; however, the City does not have an equity interest in the Ambulance District. The Ambulance District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$8,750 which represents 70 percent of total contributions, in 2005. The Township contributed 30 percent of the required funds. The City's contribution is recorded in the General Fund. Complete financial statements can be obtained from the Sandstone Joint Ambulance District, Amherst, Ohio.

B. Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$80,788 to the joint venture for 2005. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire capital assets for JV2. Under a financing agreement between the participants of JV2 and AMP-Ohio, the participants have agreed to pay the debt service requirements of the bonds. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2005, the City's requirement under the agreement was \$1,585,000 and is reflected as a liability in the City's Electric Enterprise Fund. The City's net investment and its share of the operating results of JV2 are reported in the City's Electric Enterprise Fund. The City's equity interest in JV2 was \$1,655,089 at December 31, 2005. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 16: 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, 2005.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

Note 17: Accountability and Compliance

A. Accountability

The City had no deficit fund balances as of December 31, 2005.

B. Legal Compliance

Contrary to Section 5705.39, Ohio Revised Code, the final appropriations exceeded the final estimated revenues for the following fund:

<u>Fund Name</u>	<u>Excess</u>
Fire Apparatus Levy Fund	299,045
Sewer	101,266
CDBG Downtown	7,754
City Hall	417

Contrary to Section 5705.39, Ohio Revised Code, the original appropriations exceeded the original estimated revenues for the following fund:

<u>Fund Name</u>	<u>Excess</u>
City Hall	417

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2005

Note 17: Accountability and Compliance (Continued)

B. Legal Compliance (Continued)

Contrary to Section 5705.41(B), Ohio Revised Code, the expenditures plus encumbrances exceeded the final appropriations for the following funds:

<u>Fund Name</u>	<u>Excess</u>
General Fund	
Downtown director	
Contractual services	7,855

Note 18: Change in Accounting Principles

For fiscal year 2005, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Post-employment Benefit Expenditures/Expenses and Liability by Cost-Sharing Employers." GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments. GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other post-employment benefit (OPEB) plans. The implementation of GASB Statement No. 40 had no effect on the City's financial statements. The implementation of the technical bulletin had no effect on the City's beginning fund balances or net assets.

Note 19: Subsequent Events

The City issued \$2,275,000 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.

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**Combining Statements and
Individual Fund Schedules**

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City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects that are legally restricted to expenditures for specified purposes).

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.

Cable Television Fund

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

Fire Act Grant Fund

To account for Federal grant monies for the purchase of training materials, personal protective equipment and firefighting equipment for the Amherst fire department.

EMS Training Fund

To account for funds from the State Board of EMS for training, patient care and research.

Sobriety Checkpoint Fund

To account for State monies used to pay for labor and equipment to perform sobriety checkpoints on highways in Amherst.

R U OK Grant Fund

To account for State monies used to pay for a computer system which generates random phone calls to senior citizens who are at risk due to medical and/or physical problems and seniors who do not have family or friends available to assist their needs.

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

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.

DARE Grant Fund

To account for Federal grant monies the City received to provide drug abuse resistance educational services to youth.

COPS Grant Fund

To account for revenues collected and expenditures incurred under a Federal grant provided by the U. S. Department of Justice Community Oriented Policing Services for additional patrol officers.

Bullet Proof Vest Fund

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

FEMA Grant

To account for Federal and State grant monies used for the restoration of areas hit by natural disasters.

Local Law Enforcement Fund

To account for monies seized from criminals by law enforcement officials in the course of their work and restricted by State statute, for drug enforcement, education, or equipment pertaining to drug or controlled substance enforcement.

Traffic Safety Grant Fund

To account for State monies and expenditures attributable for the study of traffic safety.

Disabled Parking

To account for fines received for parking in disabled parking spots.

Recycling Fund

To account for grant monies received from the Lorain County Solid Waste District for recycling projects.

CHIP Grant Fund

To account for funds attributable to the Community Housing Improvement Project.

CDBG Downtown Fund

To account for Federal grant monies designated for downtown restoration.

Housing Program Fund

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

(Continued)

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

NIBRS Fund

To account for grant monies received for the police department for the purpose of equipment purchases.

Lorain County Driver Simulator Fund

To account for grant monies received for the police department for the purchase of traffic safety equipment.

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

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 Fund

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

Fire Apparatus Levy Fund

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

CDBG Improvements Fund

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

Permanent Improvement Fund

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

Issue II Improvement Fund

To account for Issue II monies for various projects.

City Hall Auditorium Fund

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

North Lake Street Tunnel Fund

To account for the renovation and improvement of the North Lake Street Tunnel.

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,196,578	\$ 375,077	\$ 2,162,178	\$ 4,733,833
Accounts receivable	60,693	-	-	60,693
Interfund Receivable	34,900	-	-	34,900
Intergovernmental receivable	42,110	25,270	30,803	98,183
Prepaid items	2,893	-	-	2,893
Property taxes receivable	-	198,288	244,701	442,989
Total assets	\$ 2,337,174	\$ 598,635	\$ 2,437,682	\$ 5,373,491
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 26,643	\$ -	\$ -	\$ 26,643
Accrued wages and benefits payable	5,158	-	-	5,158
Interfund payable	300,000	-	706,695	1,006,695
Intergovernmental payable	11,240	-	-	11,240
Deferred revenue	15,469	223,558	275,504	514,531
Total liabilities	358,510	223,558	982,199	1,564,267
Fund balances:				
Reserve for encumbrances	342,794	-	1,348,853	1,691,647
Unreserved; undesignated, reported in:				
Special revenue funds	1,635,870	-	-	1,635,870
Debt service fund	-	375,077	-	375,077
Capital projects funds	-	-	106,630	106,630
Total fund balances	1,978,664	375,077	1,455,483	3,809,224
Total liabilities and fund balances	\$ 2,337,174	\$ 598,635	\$ 2,437,682	\$ 5,373,491

City of Amherst, Ohio

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

For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	\$ -	\$ 196,896	\$ 243,037	\$ 439,933
Intergovernmental	900,360	25,270	210,097	1,135,727
Charges for services	183,418	-	-	183,418
Fines and forfeitures	3,680	-	-	3,680
Investment income	2,155	-	7,632	9,787
Miscellaneous income	73,004	-	50,000	123,004
Total revenues	1,162,617	222,166	510,766	1,895,549
Expenditures:				
Current:				
General government	51,812	5,742	1,636	59,190
Security of persons and property	84,860	-	3,800	88,660
Public health and welfare	149,773	-	-	149,773
Transportation	130,416	-	59,470	189,886
Community development	66,356	-	-	66,356
Leisure time activities	168,781	-	-	168,781
Capital outlay	642,400	-	535,739	1,178,139
Debt service:				
Principal retirement	2,574	195,000	-	197,574
Interest and fiscal charges	-	93,400	-	93,400
Total expenditures	1,296,972	294,142	600,645	2,191,759
Excess of revenues over (under) expenditures	(134,355)	(71,976)	(89,879)	(296,210)
Other financing sources (uses):				
Transfers in	369,894	190,000	257,600	817,494
Proceeds from Sale of Capital Assets	5,793	-	-	5,793
Transfers out	(37,100)	-	(395,587)	(432,687)
Total other financing sources (uses)	338,587	190,000	(137,987)	390,600
Special item:				
Proceeds from settlement	-	-	357,378	357,378
Excess of revenues and other financing sources and special items over (under) expenditures and other financing uses	204,232	118,024	129,512	451,768
Fund balances at beginning of year	1,774,432	257,053	1,325,971	3,357,456
Fund balances at end of year	\$ 1,978,664	\$ 375,077	\$ 1,455,483	\$ 3,809,224

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2005

	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging	Planning Commission
Assets:					
Equity in pooled cash and cash equivalents	\$ 30,911	\$ 314,780	\$ 95,053	\$ 28,432	\$ 697,324
Accounts receivable	-	-	22,245	4,029	-
Interfund receivable	-	-	-	-	-
Intergovernmental receivable	18,550	4,759	-	-	-
Prepaid items	-	-	1,995	748	-
Total assets	\$ 49,461	\$ 319,539	\$ 119,293	\$ 33,209	\$ 697,324
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 1,299	\$ 1,051	\$ 8,193	\$ 4,119	\$ 285
Accrued wages and benefits payable	-	-	918	2,436	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	-	-	5,034	5,664	-
Deferred revenue	15,469	-	-	-	-
Total liabilities	16,768	1,051	14,145	12,219	285
Fund balances:					
Reserve for encumbrances	1,846	248,658	2,806	3,952	10,295
Unreserved; undesignated (deficit)	30,847	69,830	102,342	17,038	686,744
Total fund balances (deficit)	32,693	318,488	105,148	20,990	697,039
Total liabilities and fund balances	\$ 49,461	\$ 319,539	\$ 119,293	\$ 33,209	\$ 697,324

<u>Park Trust</u>	<u>Fire Act Grant</u>	<u>EMS Training & Equipment</u>	<u>FEMA</u>	<u>Cable Television</u>	<u>NIBRS</u>	<u>Sobriety Checkpoint</u>	<u>R U Ok Grant</u>
\$ 142,927	\$ 6,382	\$ 4,625	\$ -	\$ 325,691	\$ -	\$ 2,419	\$ 191
-	-	-	-	33,798	-	-	-
34,900	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	150	-	-	-
<u>\$ 177,827</u>	<u>\$ 6,382</u>	<u>\$ 4,625</u>	<u>\$ -</u>	<u>\$ 359,639</u>	<u>\$ -</u>	<u>\$ 2,419</u>	<u>\$ 191</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,446	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	542	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,988	-	-	-
65,940	6,382	-	-	2,640	-	-	-
111,887	-	4,625	-	355,011	-	2,419	191
177,827	6,382	4,625	-	357,651	-	2,419	191
<u>\$ 177,827</u>	<u>\$ 6,382</u>	<u>\$ 4,625</u>	<u>\$ -</u>	<u>\$ 359,639</u>	<u>\$ -</u>	<u>\$ 2,419</u>	<u>\$ 191</u>

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued)

December 31, 2005

	Law Enforcement	Drug Law Enforcement	DUI Enforcement	DARE Grant	COPS Grant	Bullet Proof Vest	Disabled Parking
Assets:							
Equity in pooled cash and cash equivalents	\$ 17,659	\$ 375	\$ 5,494	\$ 1,503	\$ 5,604	\$ 743	\$ 250
Accounts receivable	-	-	621	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 17,659</u>	<u>\$ 375</u>	<u>\$ 6,115</u>	<u>\$ 1,503</u>	<u>\$ 5,604</u>	<u>\$ 743</u>	<u>\$ 250</u>
Liabilities and fund balances:							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-	1,804	-	-
Interfund payable	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,804</u>	<u>-</u>	<u>-</u>
Fund balances:							
Reserve for encumbrances	275	-	-	-	-	-	-
Unreserved; undesignated (deficit)	<u>17,384</u>	<u>375</u>	<u>6,115</u>	<u>1,503</u>	<u>3,800</u>	<u>743</u>	<u>250</u>
Total fund balances (deficit)	<u>17,659</u>	<u>375</u>	<u>6,115</u>	<u>1,503</u>	<u>3,800</u>	<u>743</u>	<u>250</u>
Total liabilities and fund balances	<u>\$ 17,659</u>	<u>\$ 375</u>	<u>\$ 6,115</u>	<u>\$ 1,503</u>	<u>\$ 5,604</u>	<u>\$ 743</u>	<u>\$ 250</u>

Local Law Enforcement	Traffic Safety Grant	Recycling	Chip Grant	CDBG Downtown	Housing Program	Lorain County Driver Simulator	Total Nonmajor Special Revenue Funds
\$ 454	\$ 1,039	\$ -	\$ -	\$ 486,424	\$ 28,298	\$ -	\$ 2,196,578
-	-	-	-	-	-	-	60,693
-	-	-	-	-	-	-	34,900
-	-	13,645	-	5,156	-	-	42,110
-	-	-	-	-	-	-	2,893
<u>\$ 454</u>	<u>\$ 1,039</u>	<u>\$ 13,645</u>	<u>\$ -</u>	<u>\$ 491,580</u>	<u>\$ 28,298</u>	<u>\$ -</u>	<u>\$ 2,337,174</u>
\$ -	\$ -	\$ 10,250	\$ -	\$ -	\$ -	\$ -	26,643
-	-	-	-	-	-	-	5,158
-	-	-	-	300,000	-	-	300,000
-	-	-	-	-	-	-	11,240
-	-	-	-	-	-	-	15,469
-	-	10,250	-	300,000	-	-	358,510
-	-	-	-	-	-	-	342,794
454	1,039	3,395	-	191,580	28,298	-	1,635,870
454	1,039	3,395	-	191,580	28,298	-	1,978,664
<u>\$ 454</u>	<u>\$ 1,039</u>	<u>\$ 13,645</u>	<u>\$ -</u>	<u>\$ 491,580</u>	<u>\$ 28,298</u>	<u>\$ -</u>	<u>\$ 2,337,174</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, 2005

	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging	Planning Commission
Revenues:					
Intergovernmental	\$ 37,332	\$ 62,416	\$ 47,439	\$ 16,041	\$ -
Charges for services	-	-	90,422	31,013	49,800
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	-	963	-
Miscellaneous income	-	-	1,808	2,249	-
Total revenues	37,332	62,416	139,669	50,266	49,800
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	149,773	-
Transportation	79,487	50,929	-	-	-
Community development	-	-	-	-	25,119
Leisure time activities	-	-	168,781	-	-
Capital outlay	-	-	16,519	-	7,349
Debt Service:					
Principal Payments	-	-	-	2,574	-
Total expenditures	79,487	50,929	185,300	152,347	32,468
Excess of revenues over (under) expenditures	(42,155)	11,487	(45,631)	(102,081)	17,332
Other financing sources (uses):					
Transfers in	-	-	-	100,000	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	100,000	-
Net change in fund balances	(42,155)	11,487	(45,631)	(2,081)	17,332
Fund balances at beginning of year	74,848	307,001	150,779	23,071	679,707
Fund balances at end of year	\$ 32,693	\$ 318,488	\$ 105,148	\$ 20,990	\$ 697,039

Park Trust	Fire Act Grant	EMS Training & Equipment	FEMA	Cable Television	NIBRS	Sobriety Checkpoint	R U Ok Grant
\$ -	\$ -	\$ -	\$ 41,829	\$ 130,822	\$ 18,484	\$ -	\$ -
-	-	-	-	12,183	-	-	-
-	-	-	-	-	-	-	-
422	-	-	-	-	-	-	-
44,150	-	-	-	-	-	-	-
<u>44,572</u>	<u>-</u>	<u>-</u>	<u>41,829</u>	<u>143,005</u>	<u>18,484</u>	<u>-</u>	<u>-</u>
-	-	-	-	51,812	-	-	-
-	26,363	-	-	-	-	-	1,257
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,799	-	-	46,477	11,624	24,680	-	-
-	-	-	-	-	-	-	-
<u>15,799</u>	<u>26,363</u>	<u>-</u>	<u>46,477</u>	<u>63,436</u>	<u>24,680</u>	<u>-</u>	<u>1,257</u>
<u>28,773</u>	<u>(26,363)</u>	<u>-</u>	<u>(4,648)</u>	<u>79,569</u>	<u>(6,196)</u>	<u>-</u>	<u>(1,257)</u>
-	-	-	4,648	-	6,196	-	-
-	-	-	-	-	-	-	-
<u>(31,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(31,100)</u>	<u>-</u>	<u>-</u>	<u>4,648</u>	<u>-</u>	<u>6,196</u>	<u>-</u>	<u>-</u>
(2,327)	(26,363)	-	-	79,569	-	-	(1,257)
<u>180,154</u>	<u>32,745</u>	<u>4,625</u>	<u>-</u>	<u>278,082</u>	<u>-</u>	<u>2,419</u>	<u>1,448</u>
<u>\$ 177,827</u>	<u>\$ 6,382</u>	<u>\$ 4,625</u>	<u>\$ -</u>	<u>\$ 357,651</u>	<u>\$ -</u>	<u>\$ 2,419</u>	<u>\$ 191</u>

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, 2005

	Law Enforcement	Drug Law Enforcement	DUI Enforcement	DARE Grant	COPS Grant	Bullet Proof Vest
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 33,633	\$ -
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	125	3,555	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous income	10,244	-	-	-	-	-
Total revenues	10,244	125	3,555	-	33,633	-
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Security of persons and property	-	-	-	-	57,240	-
Public health and welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Capital outlay	1,304	-	1,507	-	-	-
Debt Service:						
Principal Payments	-	-	-	-	-	-
Total expenditures	1,304	-	1,507	-	57,240	-
Excess of revenues over (under) expenditures	8,940	125	2,048	-	(23,607)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	24,950	-
Proceeds from Sale of Capital Assets	5,793	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	5,793	-	-	-	24,950	-
Net change in fund balances	14,733	125	2,048	-	1,343	-
Fund balances at beginning of year	2,926	250	4,067	1,503	2,457	743
Fund balances at end of year	\$ 17,659	\$ 375	\$ 6,115	\$ 1,503	\$ 3,800	\$ 743

Disabled Parking	Local Law Enforcement	Traffic Safety Grant	Recycling	Chip Grant	CDBG Downtown	Housing Program	Lorain County Driver Simulator	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 68,224	\$ -	\$ 346,140	\$ -	\$ 98,000	\$ 900,360
-	-	-	-	-	-	-	-	183,418
-	-	-	-	-	-	-	-	3,680
-	-	-	-	-	-	770	-	2,155
-	-	-	-	-	-	14,553	-	73,004
-	-	-	68,224	-	346,140	15,323	98,000	1,162,617
-	-	-	-	-	-	-	-	51,812
-	-	-	-	-	-	-	-	84,860
-	-	-	-	-	-	-	-	149,773
-	-	-	-	-	-	-	-	130,416
-	-	-	-	-	41,237	-	-	66,356
-	-	-	-	-	-	-	-	168,781
-	-	-	119,962	-	299,179	-	98,000	642,400
-	-	-	-	-	-	-	-	2,574
-	-	-	119,962	-	340,416	-	98,000	1,296,972
-	-	-	(51,738)	-	5,724	15,323	-	(134,355)
-	-	-	47,000	-	187,100	-	-	369,894
-	-	-	-	-	-	-	-	5,793
-	-	-	-	(6,000)	-	-	-	(37,100)
-	-	-	47,000	(6,000)	187,100	-	-	338,587
-	-	-	(4,738)	(6,000)	192,824	15,323	-	204,232
250	454	1,039	8,133	6,000	(1,244)	12,975	-	1,774,432
\$ 250	\$ 454	\$ 1,039	\$ 3,395	\$ -	\$ 191,580	\$ 28,298	\$ -	\$ 1,978,664

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2005

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement	Issue II Improvement
Assets:				
Equity in pooled cash and cash equivalents	\$ 441,002	\$ 58,429	\$ 12,623	\$ 1,374,679
Intergovernmental receivable	30,803	-	-	-
Property taxes receivable	244,701	-	-	-
Total assets	<u>\$ 716,506</u>	<u>\$ 58,429</u>	<u>\$ 12,623</u>	<u>\$ 1,374,679</u>
Liabilities and fund balances:				
Liabilities:				
Interfund payable	\$ -	\$ 34,900	\$ -	\$ 671,795
Deferred revenue	275,504	-	-	-
Total liabilities	<u>275,504</u>	<u>34,900</u>	<u>-</u>	<u>671,795</u>
Fund balances:				
Reserve for encumbrances	424,217	-	-	866,272
Unreserved; undesignated	16,785	23,529	12,623	(163,388)
Total fund balances	<u>441,002</u>	<u>23,529</u>	<u>12,623</u>	<u>702,884</u>
Total liabilities and fund balances	<u>\$ 716,506</u>	<u>\$ 58,429</u>	<u>\$ 12,623</u>	<u>\$ 1,374,679</u>

City Hall Auditorium	North Lake Street Tunnel	Total Nonmajor Capital Projects Funds
\$ 227,645	\$ 47,800	\$ 2,162,178
-	-	30,803
-	-	244,701
<u>\$ 227,645</u>	<u>\$ 47,800</u>	<u>\$ 2,437,682</u>
\$ -	\$ -	\$ 706,695
-	-	275,504
-	-	982,199
58,364	-	1,348,853
<u>169,281</u>	<u>47,800</u>	<u>106,630</u>
<u>227,645</u>	<u>47,800</u>	<u>1,455,483</u>
<u>\$ 227,645</u>	<u>\$ 47,800</u>	<u>\$ 2,437,682</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, 2005

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement	Issue II Improvement
Revenues:				
Property and other local taxes	\$ 243,037	\$ -	\$ -	\$ -
Intergovernmental	30,803	-	-	179,294
Interest	-	-	-	-
Miscellaneous income	-	-	-	-
Total revenues	273,840	-	-	179,294
Expenditures:				
General government	-	-	-	-
Security of Persons and Property	3,800	-	-	-
Transportation	-	-	-	59,470
Capital outlay	82,771	9,041	-	359,927
Total expenditures	86,571	9,041	-	419,397
Excess of revenues over (under) expenditures	187,269	(9,041)	-	(240,103)
Other financing sources (uses):				
Transfers in	-	31,100	-	226,500
Transfers out	(4,648)	-	-	(390,939)
Total other financing sources (uses)	(4,648)	31,100	-	(164,439)
Special item:				
Proceeds from settlement	-	-	-	357,378
Net change in fund balances	182,621	22,059	-	(47,164)
Fund balances at beginning of year	258,381	1,470	12,623	750,048
Fund balances at end of year	<u>\$ 441,002</u>	<u>\$ 23,529</u>	<u>\$ 12,623</u>	<u>\$ 702,884</u>

City Hall Auditorium	North Lake Street Tunnel	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 243,037
-	-	210,097
7,632	-	7,632
50,000	-	50,000
<u>57,632</u>	<u>-</u>	<u>510,766</u>
1,636	-	1,636
-	-	3,800
-	-	59,470
84,000	-	535,739
<u>85,636</u>	<u>-</u>	<u>600,645</u>
<u>(28,004)</u>	<u>-</u>	<u>(89,879)</u>
-	-	257,600
<u>-</u>	<u>-</u>	<u>(395,587)</u>
<u>-</u>	<u>-</u>	<u>(137,987)</u>
<u>-</u>	<u>-</u>	<u>357,378</u>
(28,004)	-	129,512
<u>255,649</u>	<u>47,800</u>	<u>1,325,971</u>
<u>\$ 227,645</u>	<u>\$ 47,800</u>	<u>\$ 1,455,483</u>

City of Amherst, Ohio

Combining Statements Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Cemetery Trust Fund

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

Agency Funds

Street Openings Fund

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

Building Standards Assessment Fund

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

Joint Ambulance District Fund

To account for the collection and disbursement of Joint Ambulance District monies. The City functions as fiscal agent for the Joint Ambulance District.

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, 2005

	<u>Street Openings</u>	<u>Building Standards Assessment</u>	<u>Joint Ambulance District</u>	<u>Developer's Deposits and Fees</u>	<u>Total</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 9,287	\$ 684	\$ -	\$ 11,082	\$ 21,053
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>-</u>	<u>2,489</u>	<u>-</u>	<u>2,489</u>
Total Assets	<u>\$ 9,287</u>	<u>\$ 684</u>	<u>\$ 2,489</u>	<u>\$ 11,082</u>	<u>\$ 23,542</u>
Liabilities:					
Deposits held and due to others	<u>\$ 9,287</u>	<u>\$ 684</u>	<u>\$ 2,489</u>	<u>\$ 11,082</u>	<u>\$ 23,542</u>

City of Amherst, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended December 31, 2005

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
Street Openings				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,277	\$ 1,010	\$ -	\$ 9,287
Liabilities:				
Deposits held and due to others	\$ 8,277	\$ 1,010	\$ -	\$ 9,287
Building Standards Assessment				
Assets:				
Equity in pooled cash and cash equivalents	\$ 824	\$ 4,209	\$ 4,349	\$ 684
Liabilities:				
Deposits held and due to others	\$ 824	\$ 4,209	\$ 4,349	\$ 684
Joint ambulance district				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 2,489	\$ -	\$ -	\$ 2,489
Liabilities:				
Deposits held and due to others	\$ 2,489	\$ -	\$ -	\$ 2,489
Developer's Deposits and Fees				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 59,153	\$ 48,071	\$ 11,082
Liabilities:				
Deposits held and due to others	\$ -	\$ 59,153	\$ 48,071	\$ 11,082
Totals - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,101	\$ 64,372	\$ 52,420	\$ 21,053
Cash and cash equivalents in segregated accounts	2,489	-	-	2,489
Total assets	\$ 11,590	\$ 64,372	\$ 52,420	\$ 23,542
Liabilities:				
Deposits held and due to others	\$ 11,590	\$ 64,372	\$ 52,420	\$ 23,542

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

City of Amherst, Ohio

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

General Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 711,043	\$ 712,120	\$ 790,765	\$ 78,645
Income taxes	1,744,979	1,747,624	1,940,627	193,003
Intergovernmental	510,955	511,729	568,243	56,514
Charges for services	77,249	77,366	85,910	8,544
Fees, licenses and permits	321,088	321,574	357,088	35,514
Contributions and donations	8,449	8,462	9,396	934
Interest	546,165	546,993	607,401	60,408
Miscellaneous	39,671	39,731	44,119	4,388
Total revenues	<u>3,959,599</u>	<u>3,965,599</u>	<u>4,403,549</u>	<u>437,950</u>
Expenditures:				
Current operations and maintenance:				
General Government:				
Mayor's office				
Salaries and wages	86,900	86,900	84,844	2,056
Fringe benefits	17,500	17,500	16,243	1,257
Materials and supplies	6,230	6,230	2,627	3,603
Contractual services	11,020	11,020	7,922	3,098
Total mayor's office	<u>121,650</u>	<u>121,650</u>	<u>111,636</u>	<u>10,014</u>
Safety services				
Salaries and wages	10,680	10,680	10,679	1
Fringe benefits	2,750	2,750	2,042	708
Materials and supplies	23,600	500	85	415
Contractual services	161,198	156,258	102,620	53,638
Total safety services	<u>198,228</u>	<u>170,188</u>	<u>115,426</u>	<u>54,762</u>
City council				
Salaries and wages	63,500	63,500	60,716	2,784
Fringe benefits	12,800	12,800	11,234	1,566
Materials and supplies	7,819	7,819	3,855	3,964
Contractual services	20,396	20,396	19,257	1,139
Total city council	<u>104,515</u>	<u>104,515</u>	<u>95,062</u>	<u>9,453</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Auditor				
Salaries and wages	101,500	95,500	84,677	10,823
Fringe benefits	30,000	30,000	25,811	4,189
Materials and supplies	10,276	8,076	5,992	2,084
Contractual services	49,420	64,420	56,995	7,425
Capital Outlay	13,000	6,200	6,124	76
Total auditor	204,196	204,196	179,599	24,597
Treasurer				
Salaries and wages	49,380	49,380	48,582	798
Fringe benefits	13,450	13,450	12,034	1,416
Materials and supplies	4,549	3,649	2,737	912
Contractual services	34,556	35,457	31,389	4,068
Total treasurer	101,935	101,936	94,742	7,194
Law Director				
Salaries and wages	110,250	117,750	115,181	2,569
Fringe benefits	21,649	21,649	20,484	1,165
Contractual services	17,000	9,500	5,922	3,578
Total law director	148,899	148,899	141,587	7,312
City hall				
Materials and supplies	8,500	8,500	2,646	5,854
Contractual services	14,213	17,213	12,219	4,994
Total city hall	22,713	25,713	14,865	10,848
Civil service commission				
Salaries and wages	2,250	2,250	2,232	18
Fringe benefits	470	470	420	50
Materials and supplies	100	100	53	47
Contractual services	6,100	6,100	2,225	3,875
Total civil service commission	8,920	8,920	4,930	3,990

(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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Income tax department				
Salaries and wages	46,360	46,960	43,256	3,704
Fringe benefits	22,750	22,150	21,005	1,145
Materials and supplies	9,600	14,073	11,663	2,410
Contractual services	16,072	16,072	12,874	3,198
Refunds and reimbursements	54,473	50,000	27,670	22,330
Total income tax department	<u>149,255</u>	<u>149,255</u>	<u>116,468</u>	<u>32,787</u>
Downtown director				
Contractual services	4,145	34,145	42,000	(7,855)
Total downtown director	<u>4,145</u>	<u>34,145</u>	<u>42,000</u>	<u>(7,855)</u>
Amherst office building				
Materials and supplies	6,000	5,000	1,016	3,984
Contractual services	4,000	5,000	4,023	977
Total Amherst office building	<u>10,000</u>	<u>10,000</u>	<u>5,039</u>	<u>4,961</u>
Miscellaneous				
Fringe benefits	44,000	6,000	1,569	4,431
Contractual services	45,775	45,775	35,220	10,555
Capital Outlay	153,231	153,357	29,414	123,943
Total miscellaneous	<u>243,006</u>	<u>205,132</u>	<u>66,203</u>	<u>138,929</u>
Total general government	<u>1,317,462</u>	<u>1,284,549</u>	<u>987,557</u>	<u>296,992</u>
Security of persons and property:				
Police department				
Salaries and wages	1,457,000	1,536,000	1,499,950	36,050
Fringe benefits	596,567	625,067	623,725	1,342
Materials and supplies	132,835	129,835	121,906	7,929
Contractual services	262,315	238,211	220,415	17,796
Capital Outlay	85,972	38,972	38,972	-
Total police department	<u>2,534,689</u>	<u>2,568,085</u>	<u>2,504,968</u>	<u>63,117</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department				
Salaries and wages	341,620	341,620	324,849	16,771
Fringe benefits	77,564	129,884	69,819	60,065
Materials and supplies	22,275	22,275	21,507	768
Contractual services	76,791	74,691	67,666	7,025
Total fire department	<u>518,250</u>	<u>568,470</u>	<u>483,841</u>	<u>84,629</u>
Total security of persons and property	<u>3,052,939</u>	<u>3,136,555</u>	<u>2,988,809</u>	<u>147,746</u>
Public health and welfare				
Cemetery				
Salaries and wages	14,000	14,000	12,169	1,831
Fringe benefits	3,100	3,100	3,066	34
Materials and supplies	3,500	3,500	2,780	720
Contractual services	2,400	2,400	254	2,146
Total cemetery	<u>23,000</u>	<u>23,000</u>	<u>18,269</u>	<u>4,731</u>
County health district				
Contractual services	<u>30,000</u>	<u>39,040</u>	<u>39,037</u>	<u>3</u>
Total county health district	<u>30,000</u>	<u>39,040</u>	<u>39,037</u>	<u>3</u>
Total public health and welfare	<u>53,000</u>	<u>62,040</u>	<u>57,306</u>	<u>4,734</u>
Community development				
Building inspector				
Salaries and wages	134,000	149,000	143,635	5,365
Fringe benefits	48,176	48,176	45,005	3,171
Materials and supplies	35,905	4,405	3,823	582
Contractual services	17,292	73,792	48,408	25,384
Total building inspector	<u>235,373</u>	<u>275,373</u>	<u>240,871</u>	<u>34,502</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning commission				
Salaries and wages	6,000	6,150	5,153	997
Fringe benefits	350	200	122	78
Materials and supplies	250	250	243	7
Contractual services	500	500	232	268
Total planning commission	<u>7,100</u>	<u>7,100</u>	<u>5,750</u>	<u>1,350</u>
Board of zoning appeals				
Materials and supplies	275	275	275	-
Contractual services	1,500	1,500	771	729
Total board of zoning appeals	<u>1,775</u>	<u>1,775</u>	<u>1,046</u>	<u>729</u>
Total community development	<u>244,248</u>	<u>284,248</u>	<u>247,667</u>	<u>36,581</u>
Total expenditures	<u>4,667,649</u>	<u>4,767,392</u>	<u>4,281,339</u>	<u>486,053</u>
Excess of revenues over (under) expenditures	<u>(708,050)</u>	<u>(801,793)</u>	<u>122,210</u>	<u>924,003</u>
Other financing sources (uses):				
Sale of capital assets	50,000	50,000	5,005	(44,995)
Transfers in	1,822,000	1,822,000	2,109,440	287,440
Advances in	100,000	100,000	-	(100,000)
Advances out	(35,000)	(35,000)	-	35,000
Transfers out	(3,318,147)	(3,395,453)	(3,021,586)	373,867
Miscellaneous	126	10,000	19,556	9,556
Total other financing sources (uses)	<u>(1,381,021)</u>	<u>(1,448,453)</u>	<u>(887,585)</u>	<u>560,868</u>
Net change in fund balance	(2,089,071)	(2,250,246)	(765,375)	1,484,871
Fund balance at beginning of year	2,412,511	2,412,511	2,412,511	-
Prior year encumbrances appropriated	151,495	151,495	151,495	-
Fund balance at end of year	<u>\$ 474,935</u>	<u>\$ 313,760</u>	<u>\$ 1,798,631</u>	<u>\$ 1,484,871</u>

City of Amherst, Ohio

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

Street Construction, Maintenance and Repair Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 799,948	\$ 335,000	\$ 457,570	\$ 122,570
Miscellaneous	3,552	1,000	2,032	1,032
Total revenues	<u>803,500</u>	<u>336,000</u>	<u>459,602</u>	<u>123,602</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	480,000	482,000	441,980	40,020
Fringe benefits	190,600	187,600	178,408	9,192
Contractual services	101,044	102,044	96,928	5,116
Materials and supplies	247,523	247,523	231,745	15,778
Capital Outlay	30,001	30,001	29,594	407
Total expenditures	<u>1,049,168</u>	<u>1,049,168</u>	<u>978,655</u>	<u>70,513</u>
Excess of revenues over (under) expenditures	(245,668)	(713,168)	(519,053)	194,115
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>467,500</u>	<u>550,000</u>	<u>82,500</u>
Net change in fund balance	(245,668)	(245,668)	30,947	276,615
Fund balance at beginning of year	275,618	275,618	275,618	-
Prior year encumbrances appropriated	<u>40,468</u>	<u>40,468</u>	<u>40,468</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,418</u>	<u>\$ 70,418</u>	<u>\$ 347,033</u>	<u>\$ 276,615</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 1,875,000	\$ 1,875,000	\$ 1,941,674	\$ 66,674
Miscellaneous		-	390,938	390,938
Total revenues	<u>1,875,000</u>	<u>1,875,000</u>	<u>2,332,612</u>	<u>457,612</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	1,311,713	1,311,713	493,929	817,784
Capital Outlay	4,621,344	3,661,744	2,616,792	1,044,952
Refunds and reimbursement	50,000	50,000	29,022	20,978
Debt service:				
Principal retirement	16,250	16,250	6,425	9,825
Total expenditures	<u>5,999,307</u>	<u>5,039,707</u>	<u>3,146,168</u>	<u>1,893,539</u>
Excess of revenues over (under) expenditures	(4,124,307)	(3,164,707)	(813,556)	2,351,151
Other financing sources (uses):				
Transfers out	(128,000)	(541,600)	(413,600)	128,000
Advances out	(272,000)	(818,000)	(546,000)	272,000
Total other financing sources (uses)	<u>(400,000)</u>	<u>(1,359,600)</u>	<u>(959,600)</u>	<u>400,000</u>
Net change in fund balance	(4,524,307)	(4,524,307)	(1,773,156)	2,751,151
Fund balance at beginning of year	2,597,115	2,597,115	2,597,115	-
Prior year encumbrances appropriated	<u>1,930,733</u>	<u>1,930,733</u>	<u>1,930,733</u>	-
Fund balance at end of year	<u>\$ 3,541</u>	<u>\$ 3,541</u>	<u>\$ 2,754,692</u>	<u>\$ 2,751,151</u>

City of Amherst, Ohio

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

Water Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,365,504	\$ 2,457,504	\$ 2,039,592	\$ (417,912)
Miscellaneous	1,496	1,496	1,290	(206)
Total revenues	<u>2,367,000</u>	<u>2,459,000</u>	<u>2,040,882</u>	<u>(418,118)</u>
Expenses:				
Water operations:				
Salaries and wages	458,568	264,085	253,869	10,216
Fringe benefits	271,777	183,654	105,234	78,420
Contractual services	1,605,382	1,451,614	1,110,459	341,155
Materials and supplies	175,316	162,128	134,425	27,703
Other	-	12,000	7,055	4,945
Capital outlay	560,042	541,942	366,610	175,332
Debt service:				
Principal retirement	50,000	50,000	50,000	-
Interest and fiscal charges	41,743	41,743	40,010	1,733
Total expenses	<u>3,162,828</u>	<u>2,707,166</u>	<u>2,067,662</u>	<u>639,504</u>
Net change in fund equity	(795,828)	(248,166)	(26,780)	221,386
Fund equity at beginning of year	634,766	634,766	634,766	-
Prior year encumbrances appropriated	<u>232,593</u>	<u>232,593</u>	<u>232,593</u>	<u>-</u>
Fund equity at end of year	<u>\$ 71,531</u>	<u>\$ 619,193</u>	<u>\$ 840,579</u>	<u>\$ 221,386</u>

City of Amherst, Ohio

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

Sewer Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 853,439	\$ 853,439	\$ 1,157,100	\$ 303,661
Charges for services	1,693,567	1,837,567	2,296,152	458,585
Miscellaneous	87,657	87,657	118,846	31,189
Total revenues	<u>2,634,663</u>	<u>2,778,663</u>	<u>3,572,098</u>	<u>793,435</u>
Expenses:				
Sewer operations:				
Salaries and wages	174,280	548,422	530,416	18,006
Fringe benefits	159,804	355,083	203,092	151,991
Contractual services	580,229	812,534	517,416	295,118
Materials and supplies	486,014	646,983	468,703	178,280
Claims	-	5,000	3,879	1,121
Other	1,000	8,000	2,780	5,220
Capital outlay	3,823,757	3,889,007	2,922,358	966,649
Debt service:				
Principal retirement	4,500	1,731,600	1,699,122	32,478
Interest and fiscal charges	-	472,000	419,731	52,269
Total expenses	<u>5,229,584</u>	<u>8,468,629</u>	<u>6,767,497</u>	<u>1,701,132</u>
Excess of revenues over (under) expenses	(2,594,921)	(5,689,966)	(3,195,399)	2,494,567
Other financing sources (uses):				
Loan proceeds	1,705,337	1,705,337	1,705,337	-
Total other financing sources (uses)	<u>1,705,337</u>	<u>1,705,337</u>	<u>1,705,337</u>	<u>-</u>
Net change in fund equity	(889,584)	(3,984,629)	(1,490,062)	2,494,567
Fund equity at beginning of year	957,489	957,489	957,489	-
Prior year encumbrances appropriated	<u>2,925,874</u>	<u>2,925,874</u>	<u>2,925,874</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,993,779</u>	<u>\$ (101,266)</u>	<u>\$ 2,393,301</u>	<u>\$ 2,494,567</u>

City of Amherst, Ohio

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

Electric Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 5,706,691	\$ 7,294,448	\$ 7,160,729	\$ (133,719)
Miscellaneous	227,309	290,552	285,226	(5,326)
Total revenues	<u>5,934,000</u>	<u>7,585,000</u>	<u>7,445,955</u>	<u>(139,045)</u>
Expenses:				
Electric operations:				
Salaries and wages	426,000	570,341	545,108	25,233
Fringe benefits	477,800	527,909	486,910	40,999
Contractual services	5,160,509	6,748,340	6,580,188	168,152
Materials and supplies	467,089	485,695	335,225	150,470
Other	25,000	20,000	17,005	2,995
Capital outlay	1,842,290	1,689,990	755,039	934,951
Debt service:				
Principal retirement	275,000	289,500	289,149	351
Interest and fiscal charges	115,000	115,000	111,772	3,228
Total expenses	<u>8,788,688</u>	<u>10,446,775</u>	<u>9,120,396</u>	<u>1,326,379</u>
Excess of revenues over (under) expenses	(2,854,688)	(2,861,775)	(1,674,441)	1,187,334
Other financing sources (uses):				
Transfers in	390,000	390,000	-	(390,000)
Transfers out	(450,000)	(450,000)	-	450,000
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Net change in fund equity	(2,914,688)	(2,921,775)	(1,674,441)	1,247,334
Fund equity at beginning of year	2,222,579	2,222,579	2,222,579	-
Prior year encumbrances appropriated	<u>897,389</u>	<u>897,389</u>	<u>897,389</u>	<u>-</u>
Fund equity at end of year	<u>\$ 205,280</u>	<u>\$ 198,193</u>	<u>\$ 1,445,527</u>	<u>\$ 1,247,334</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 37,100	\$ 13,100
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>37,100</u>	<u>13,100</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Salaries & Wages	10,000	10,000	10,000	-
Contractual services	22,718	22,718	21,525	1,193
Materials and supplies	50,000	50,268	49,959	309
Total expenditures	<u>82,718</u>	<u>82,986</u>	<u>81,484</u>	<u>1,502</u>
Net change in fund balance	(58,718)	(58,986)	(44,384)	14,602
Fund balance at beginning of year	71,664	71,664	71,664	-
Prior year encumbrances appropriated	<u>486</u>	<u>486</u>	<u>486</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,432</u>	<u>\$ 13,164</u>	<u>\$ 27,766</u>	<u>\$ 14,602</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 62,022	\$ 2,022
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>62,022</u>	<u>2,022</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital Outlay	365,827	365,827	303,057	62,770
Total expenditures	<u>365,827</u>	<u>365,827</u>	<u>303,057</u>	<u>62,770</u>
Net change in fund balance	(305,827)	(305,827)	(241,035)	64,792
Fund balance at beginning of year	126,279	126,279	126,279	-
Prior year encumbrances appropriated	<u>179,827</u>	<u>179,827</u>	<u>179,827</u>	<u>-</u>
Fund balance at end of year	<u>\$ 279</u>	<u>\$ 279</u>	<u>\$ 65,071</u>	<u>\$ 64,792</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 44,000	\$ 44,000	\$ 45,908	\$ 1,908
Charges for services	61,000	61,000	74,815	13,815
Miscellaneous	20,000	20,000	4,925	(15,075)
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>125,648</u>	<u>648</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Salaries and wages	92,000	107,000	87,160	19,840
Fringe benefits	19,500	19,500	15,718	3,782
Contractual services	30,800	30,800	24,129	6,671
Materials and supplies	40,958	40,959	33,420	7,539
Capital Outlay	82,000	67,000	16,519	50,481
Total expenditures	<u>265,258</u>	<u>265,259</u>	<u>176,946</u>	<u>88,313</u>
Net change in fund balance	(140,258)	(140,259)	(51,298)	88,961
Fund balance at beginning of year	141,641	141,641	141,641	-
Prior year encumbrances appropriated	<u>459</u>	<u>459</u>	<u>459</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,842</u>	<u>\$ 1,841</u>	<u>\$ 90,802</u>	<u>\$ 88,961</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 15,153	\$ 15,153	\$ 16,041	\$ 888
Charges for services	27,791	27,791	29,420	1,629
Miscellaneous	97,356	97,356	103,062	5,706
Total revenues	<u>140,300</u>	<u>140,300</u>	<u>148,523</u>	<u>8,223</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	83,100	85,175	83,521	1,654
Fringe Benefits	24,717	24,425	23,884	541
Travel	1,300	817	100	717
Contractual Services	45,237	44,337	38,502	5,835
Materials and supplies	7,323	6,923	5,211	1,712
Total expenditures	<u>161,677</u>	<u>161,677</u>	<u>151,218</u>	<u>10,459</u>
Net change in fund balance	(21,377)	(21,377)	(2,695)	18,682
Fund balance at beginning of year	18,861	18,861	18,861	-
Prior year encumbrances appropriated	<u>4,627</u>	<u>4,627</u>	<u>4,627</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,111</u>	<u>\$ 2,111</u>	<u>\$ 20,793</u>	<u>\$ 18,682</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 68,000	\$ 68,000	\$ 49,800	\$ (18,200)
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>49,800</u>	<u>(18,200)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	42,000	42,000	15,001	26,999
Capital Outlay	593,544	593,544	34,299	559,245
Total expenditures	<u>635,544</u>	<u>635,544</u>	<u>49,300</u>	<u>586,244</u>
Net change in fund balance	(567,544)	(567,544)	500	568,044
Fund balance at beginning of year	634,700	634,700	634,700	-
Prior year encumbrances appropriated	<u>51,544</u>	<u>51,544</u>	<u>51,544</u>	<u>-</u>
Fund balance at end of year	<u>\$ 118,700</u>	<u>\$ 118,700</u>	<u>\$ 686,744</u>	<u>\$ 568,044</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ 22,000	\$ 22,000	\$ 44,550	\$ 22,550
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>44,550</u>	<u>22,550</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Supplies & Materials	20,000	20,000	8,640	11,360
Refunds & Reimbursements	-	-	-	-
Capital outlay	<u>164,000</u>	<u>114,000</u>	<u>73,099</u>	<u>40,901</u>
Total expenditures	<u>184,000</u>	<u>134,000</u>	<u>81,739</u>	<u>52,261</u>
Excess of revenues over (under) expenditures	(162,000)	(112,000)	(37,189)	74,811
Other financing sources (uses):				
Transfers out	(16,000)	(31,100)	(31,100)	-
Advances out	-	(34,900)	(34,900)	-
Total other financing source (uses)	<u>(16,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Net change in fund balance	(178,000)	(178,000)	(103,189)	74,811
Fund balance at beginning of year	180,154	180,154	180,154	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,154</u>	<u>\$ 2,154</u>	<u>\$ 76,965</u>	<u>\$ 74,811</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 130,822	\$ 20,822
Charges for services	9,000	9,000	9,547	547
Total revenues	<u>119,000</u>	<u>119,000</u>	<u>140,369</u>	<u>21,369</u>
Expenditures:				
Current operations and maintenance:				
General government				
Salaries and wages	18,000	18,000	11,769	6,231
Fringe benefits	3,775	3,775	2,947	828
Travel	1,000	1,000	-	1,000
Contractual services	51,346	50,646	31,032	19,614
Materials and supplies	20,177	20,878	10,031	10,847
Capital Outlay	20,000	20,000	11,624	8,376
Total expenditures	<u>114,298</u>	<u>114,299</u>	<u>67,403</u>	<u>46,896</u>
Net change in fund balance	4,702	4,701	72,966	68,265
Fund balance at beginning of year	244,217	244,217	244,217	-
Prior year encumbrances appropriated	<u>4,424</u>	<u>4,424</u>	<u>4,424</u>	<u>-</u>
Fund balance at end of year	<u>\$ 253,343</u>	<u>\$ 253,342</u>	<u>\$ 321,607</u>	<u>\$ 68,265</u>

City of Amherst, Ohio

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

Fire Act Grant Fund

For The Year Ended December 31, 2005

	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:				
Capital Outlay	32,745	32,745	32,745	-
Total expenditures	<u>32,745</u>	<u>32,745</u>	<u>32,745</u>	<u>-</u>
Net change in fund balance	(32,745)	(32,745)	(32,745)	-
Fund balance at beginning of year	32,745	32,745	32,745	-
Prior year encumbrances appropriated	<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

EMS Training Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Supplies & Materials	\$ -	\$ 4,625	\$ -	\$ 4,625
Total expenditures	<u>-</u>	<u>4,625</u>	<u>-</u>	<u>4,625</u>
Excess of revenues over (under) expenditures	-	(4,625)	-	(4,625)
Other financing sources (uses):				
Transfers in	<u>5,885</u>	<u>5,885</u>	<u>-</u>	<u>(5,885)</u>
Net change in fund balance	5,885	1,260	-	(10,510)
Fund balance at beginning of year	4,625	4,625	4,625	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,510</u>	<u>\$ 5,885</u>	<u>\$ 4,625</u>	<u>\$ (10,510)</u>

City of Amherst, Ohio

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

NIBRS Grant Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 24,784	\$ 24,784	\$ 24,680	\$ (104)
Total revenues	<u>24,784</u>	<u>24,784</u>	<u>24,680</u>	<u>(104)</u>
Expenditures:				
Capital Outlay	24,784	24,784	24,680	104
Total expenditures	<u>24,784</u>	<u>24,784</u>	<u>24,680</u>	<u>104</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<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

Sobriety Checkpoint Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,936	\$ 2,936	\$ -	\$ (2,936)
Total revenues	<u>2,936</u>	<u>2,936</u>	<u>-</u>	<u>(2,936)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Fringe benefits	\$ 5,356	\$ 5,356	\$ -	\$ 5,356
Supplies & Materials	459	459	459	-
Total expenditures	<u>5,815</u>	<u>5,815</u>	<u>459</u>	<u>5,356</u>
Net change in fund balance	(2,879)	(2,879)	(459)	2,420
Fund balance at beginning of year	2,420	2,420	2,420	-
Prior year encumbrances appropriated	<u>459</u>	<u>459</u>	<u>459</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,420</u>	<u>\$ 2,420</u>

City of Amherst, Ohio

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

R U OK Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Materials and supplies	\$ 1,448	\$ 1,448	\$ 1,257	\$ 191
Total expenditures	<u>1,448</u>	<u>1,448</u>	<u>1,257</u>	<u>191</u>
Net change in fund balance	(1,448)	(1,448)	(1,257)	191
Fund balance at beginning of year	1,448	1,448	1,448	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 191</u></u>	<u><u>\$ 191</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 16,037	\$ 16,037
Total revenues	<u>-</u>	<u>-</u>	<u>16,037</u>	<u>16,037</u>
Expenditures:				
Security of persons and property				
Capital Outlay	2,926	2,926	1,579	1,347
Total expenditures	<u>2,926</u>	<u>2,926</u>	<u>1,579</u>	<u>1,347</u>
Net change in fund balance	(2,926)	(2,926)	14,458	17,384
Fund balance at beginning of year	2,926	2,926	2,926	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,384</u>	<u>\$ 17,384</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 125	\$ 125
Total revenues	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>
Expenditures:				
Capital Outlay	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Net change in fund balance	(250)	(250)	125	375
Fund balance at beginning of year	251	251	251	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 376</u></u>	<u><u>\$ 375</u></u>

City of Amherst, Ohio

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

DUI Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 3,164	\$ 3,164
Total revenues	<u>-</u>	<u>-</u>	<u>3,164</u>	<u>3,164</u>
Expenditures:				
Current operations and maintenance:				
Capital Outlay	3,837	3,837	1,507	2,330
Total expenditures	<u>3,837</u>	<u>3,837</u>	<u>1,507</u>	<u>2,330</u>
Net change in fund balance	(3,837)	(3,837)	1,657	5,494
Fund balance at beginning of year	3,837	3,837	3,837	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,494</u>	<u>\$ 5,494</u>

City of Amherst, Ohio

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

DARE Grant Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Salaries & Wages	\$ 1,503	\$ 1,503	\$ -	\$ 1,503
Total expenditures	<u>1,503</u>	<u>1,503</u>	<u>-</u>	<u>1,503</u>
Net change in fund balance	(1,503)	(1,503)	-	1,503
Fund balance at beginning of year	1,503	1,503	1,503	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,503</u>	<u>\$ 1,503</u>

City of Amherst, Ohio

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

COPS Grant Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 56,583	\$ 56,583	\$ 33,633	\$ (22,950)
Total revenues	<u>56,583</u>	<u>56,583</u>	<u>33,633</u>	<u>(22,950)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fringe Benefits	9,679	9,675	9,675	-
Salaries and wages	49,361	46,904	46,904	-
Total expenditures	<u>59,040</u>	<u>56,579</u>	<u>56,579</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,457)	4	(22,946)	(22,950)
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>24,950</u>	<u>24,950</u>
Net change in fund balance	(2,457)	4	2,004	2,000
Fund balance at beginning of year	2,457	2,457	2,457	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,461</u>	<u>\$ 4,461</u>	<u>\$ 2,000</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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal Services	\$ 744	\$ 744	\$ -	\$ 744
Total expenditures	<u>744</u>	<u>744</u>	<u>-</u>	<u>744</u>
Excess of revenues over (under) expenditures	(744)	(744)	-	744
Fund balance at beginning of year	744	744	744	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744</u>	<u>\$ 744</u>

City of Amherst, Ohio

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

FEMA Grant Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 51,125	\$ 51,125	\$ 41,829	\$ (9,296)
Total revenues	<u>51,125</u>	<u>51,125</u>	<u>41,829</u>	<u>(9,296)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fire Department				
Capital Outlay	51,125	51,125	46,477	4,648
Total expenditures	<u>51,125</u>	<u>51,125</u>	<u>46,477</u>	<u>4,648</u>
Excess of revenues over (under) expenditures	-	-	(4,648)	(4,648)
Other financing sources (uses):				
Transfers in	-	-	4,648	4,648
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
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

Local Law Enforcement Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Capital Outlay	\$ 454	\$ 454	\$ -	\$ 454
Total expenditures	454	454	-	454
Fund balance at beginning of year	<u>454</u>	<u>454</u>	<u>454</u>	<u>-</u>
Fund balance at end of year	<u>\$ 454</u>	<u>\$ 454</u>	<u>\$ 454</u>	<u>\$ -</u>

City of Amherst, Ohio

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

Traffic Safety Grant Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fringe benefits	\$ 1,039	\$ 1,039	\$ -	\$ 1,039
Materials and supplies	473	473	473	-
Total expenditures	<u>1,512</u>	<u>1,512</u>	<u>473</u>	<u>1,039</u>
Net change in fund balance	(1,512)	(1,512)	(473)	1,039
Fund balance at beginning of year	1,039	1,039	1,039	-
Prior year encumbrances appropriated	<u>473</u>	<u>473</u>	<u>473</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,039</u></u>	<u><u>\$ 1,039</u></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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Capital Outlay	\$ 250	\$ 250	\$ -	\$ 250
Total expenditures	250	250	-	250
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

Recycling Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 54,579	\$ (60,421)
Miscellaneous	-	-	47,000	47,000
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>101,579</u>	<u>(13,421)</u>
Expenditures:				
Current operations and maintenance:				
Capital Outlay	<u>123,000</u>	<u>123,000</u>	<u>109,712</u>	<u>13,288</u>
Total expenditures	<u>123,000</u>	<u>123,000</u>	<u>109,712</u>	<u>13,288</u>
Net change in fund balance	(8,000)	(8,000)	(8,133)	(133)
Fund balance at beginning of year	8,133	8,133	8,133	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 133</u>	<u>\$ 133</u>	<u>\$ -</u>	<u>\$ (133)</u>

City of Amherst, Ohio

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

CHIP Grant Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Net change in fund balance	(6,000)	(6,000)	(6,000)	-
Fund balance at beginning of year	6,000	6,000	6,000	-
Prior year encumbrances appropriated	<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

CDBG Downtown Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 350,650	\$ 737,750	\$ 340,984	\$ (396,766)
Total revenues	<u>350,650</u>	<u>737,750</u>	<u>340,984</u>	<u>(396,766)</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	285,891	430,284	299,179	131,105
Contractual services	<u>53,653</u>	<u>115,508</u>	<u>42,767</u>	<u>72,741</u>
Total expenditures	<u>339,544</u>	<u>545,792</u>	<u>341,946</u>	<u>203,846</u>
Excess of revenues over (under) expenditures	11,106	191,958	(962)	(192,920)
Other financing sources (uses):				
Advances out	(100,000)	(300,000)	-	300,000
Advances in	-	-	200,000	200,000
Transfers in	-	-	187,100	187,100
Transfers out	<u>(11,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(111,393)</u>	<u>(300,000)</u>	<u>387,100</u>	<u>687,100</u>
Net change in fund balance	(100,287)	(108,042)	386,138	494,180
Fund balance at beginning of year	83,360	83,360	83,360	-
Prior year encumbrances appropriated	<u>16,928</u>	<u>16,928</u>	<u>16,928</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1</u>	<u>\$ (7,754)</u>	<u>\$ 486,426</u>	<u>\$ 494,180</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 770	\$ 770
Miscellaneous	-	-	14,553	14,553
Total revenues	<u>-</u>	<u>-</u>	<u>15,323</u>	<u>15,323</u>
Excess of revenues over (under) expenditures	-	-	15,323	15,323
Other financing sources (uses):				
Transfers out	<u>(12,975)</u>	<u>(12,975)</u>	-	12,975
Total other financing sources (uses)	<u>(12,975)</u>	<u>(12,975)</u>	-	12,975
Net change in fund balance	(12,975)	(12,975)	15,323	28,298
Fund balance at beginning of year	12,975	12,975	12,975	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,298</u>	<u>\$ 28,298</u>

City of Amherst, Ohio

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

Lorain County Driver Simulator Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 98,000	\$ 98,000	\$ 98,000	\$ -
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	<u>-</u>
Expenditures:				
Capital outlay	98,000	98,000	98,000	-
Total expenditures	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<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

General Obligation Bond Retirement Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 194,936	\$ 194,936	\$ 196,896	\$ 1,960
Intergovernmental	25,018	25,018	25,270	252
Total revenues	<u>219,954</u>	<u>219,954</u>	<u>222,166</u>	<u>2,212</u>
Expenditures:				
Debt service:				
Principal retirement	190,000	195,000	195,000	-
Interest and fiscal charges	96,000	96,000	93,400	2,600
Contractual services	22,000	17,000	5,742	11,258
Total expenditures	<u>308,000</u>	<u>308,000</u>	<u>294,142</u>	<u>13,858</u>
Excess of revenues over (under) expenditures	(88,046)	(88,046)	(71,976)	16,070
Other financing sources (uses):				
Transfer In	-	-	190,000	190,000
Transfer Out	(148,256)	(148,256)	-	148,256
Total other financing sources (uses)	<u>(148,256)</u>	<u>(148,256)</u>	<u>190,000</u>	<u>338,256</u>
Net change in fund balance	(236,302)	(236,302)	118,024	354,326
Fund balance at beginning of year	257,054	257,054	257,054	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,752</u>	<u>\$ 20,752</u>	<u>\$ 375,078</u>	<u>\$ 354,326</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax	\$ 235,191	\$ 235,191	\$ 243,037	\$ 7,846
Intergovernmental	29,809	29,809	30,803	994
Total revenues	<u>265,000</u>	<u>265,000</u>	<u>273,840</u>	<u>8,840</u>
Expenditures:				
Security of persons and property				
Contractual services	26,600	26,600	3,800	22,800
Materials and supplies	-	258,000	-	258,000
Capital outlay	468,849	510,849	510,458	391
Total expenditures	<u>495,449</u>	<u>795,449</u>	<u>514,258</u>	<u>281,191</u>
Excess of revenues over (under) expenditures	(230,449)	(530,449)	(240,418)	290,031
Other financing sources (uses):				
Transfers out	(30,448)	(30,448)	(4,648)	25,800
Net change in fund balance	(260,897)	(560,897)	(245,066)	315,831
Fund balance at beginning of year	258,003	258,003	258,003	-
Prior year encumbrances appropriated	3,849	3,849	3,849	-
Fund balance at end of year	<u>\$ 955</u>	<u>\$ (299,045)</u>	<u>\$ 16,786</u>	<u>\$ 315,831</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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	67,850	67,850	9,421	58,429
Total expenditures	<u>67,850</u>	<u>67,850</u>	<u>9,421</u>	<u>58,429</u>
Excess of revenues over (under) expenditures	(67,850)	(67,850)	(9,421)	58,429
Other financing sources (uses):				
Advance in	34,900	34,900	34,900	-
Transfers in	<u>31,100</u>	<u>31,100</u>	<u>31,100</u>	<u>-</u>
Total other financing sources (uses)	66,000	66,000	66,000	-
Net change in fund balance	(1,850)	(1,850)	56,579	58,429
Fund balance at beginning of year	1,215	1,215	1,215	-
Prior year encumbrances appropriated	<u>635</u>	<u>635</u>	<u>635</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,429</u>	<u>\$ 58,429</u>

City of Amherst, Ohio

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

Permanent Improvement Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	<u>\$ 9,304</u>	<u>\$ 9,304</u>	<u>\$ -</u>	<u>\$ 9,304</u>
Total expenditures	<u>9,304</u>	<u>9,304</u>	<u>-</u>	<u>9,304</u>
Fund balance at beginning of year	<u>\$ 12,623</u>	<u>\$ 12,623</u>	<u>\$ 12,623</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 3,319</u></u>	<u><u>\$ 3,319</u></u>	<u><u>\$ 12,623</u></u>	<u><u>\$ 9,304</u></u>

City of Amherst, Ohio

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

Issue II Improvement Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 537,051	\$ 537,051	\$ 179,294	(357,757)
Charges for Services	1,070,478	1,070,478	357,378	(713,100)
Total revenues	<u>1,607,529</u>	<u>1,607,529</u>	<u>536,672</u>	<u>(1,070,857)</u>
Expenditures:				
Transportation				
Contractual services	136,494	130,578	101,256	29,322
Capital outlay	2,124,130	2,549,163	1,226,650	1,322,513
Total transportation	<u>2,260,624</u>	<u>2,679,741</u>	<u>1,327,906</u>	<u>1,351,835</u>
Total expenditures	<u>2,260,624</u>	<u>2,679,741</u>	<u>1,327,906</u>	<u>1,351,835</u>
Excess of revenues over (under) expenditures	(653,095)	(1,072,212)	(791,234)	280,978
Other financing sources (uses):				
Advance in	-	346,000	346,000	-
Advance out	(225,000)	(225,000)	-	225,000
Transfers in	-	226,500	226,500	-
Transfers out	(114,688)	(390,939)	(268,072)	122,867
Total other financing sources (uses)	<u>(339,688)</u>	<u>(43,439)</u>	<u>304,428</u>	<u>347,867</u>
Net change in fund balance	(992,783)	(1,115,651)	(486,806)	628,845
Fund balance at beginning of year	186,947	186,947	64,077	-
Prior year encumbrances appropriated	<u>931,134</u>	<u>931,134</u>	<u>931,134</u>	<u>-</u>
Fund balance at end of year	<u>\$ 125,298</u>	<u>\$ 2,430</u>	<u>\$ 508,405</u>	<u>\$ 628,845</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, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 50,000	\$ 50,000
Interest	-	-	6,998	6,998
Total revenues	<u>-</u>	<u>-</u>	<u>56,998</u>	<u>56,998</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	64,568	64,568	60,000	4,568
Capital Outlay	191,498	191,498	84,000	107,498
Total expenditures	<u>256,066</u>	<u>256,066</u>	<u>144,000</u>	<u>112,066</u>
Net change in fund balance	(256,066)	(256,066)	(87,002)	169,064
Fund balance at beginning of year	191,081	191,081	191,081	-
Prior year encumbrances appropriated	<u>64,568</u>	<u>64,568</u>	<u>64,568</u>	<u>-</u>
Fund balance at end of year	<u>\$ (417)</u>	<u>\$ (417)</u>	<u>\$ 168,647</u>	<u>\$ 169,064</u>

City of Amherst, Ohio

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

North Lake Street Tunnel Fund

For The Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Contractual services	\$ 47,800	\$ 47,800	\$ -	\$ 47,800
Total expenditures	<u>47,800</u>	<u>47,800</u>	<u>-</u>	<u>47,800</u>
Fund balance at beginning of year	<u>\$ 47,800</u>	<u>\$ 47,800</u>	<u>\$ 47,800</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 47,800</u></u>	<u><u>\$ 47,800</u></u>	<u><u>\$ 47,800</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

Health Insurance Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ 1,000,000	\$ 1,000,000	\$ 622,169	\$ (377,831)
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>622,169</u>	<u>(377,831)</u>
Expenditures:				
Claims	400,000	400,000	400,000	-
Contractual services	250,000	250,000	225,455	24,545
Total expenditures	<u>650,000</u>	<u>650,000</u>	<u>625,455</u>	<u>24,545</u>
Net change in fund balance	350,000	350,000	(3,286)	(353,286)
Fund balance at beginning of year	277,784	277,784	277,784	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 627,784</u>	<u>\$ 627,784</u>	<u>\$ 274,498</u>	<u>\$ (353,286)</u>

City of Amherst, Ohio

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

Cemetery Trust Fund

For The Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 120	\$ 120
Total revenues	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
Expenditures:				
Capital outlay	100	100	95	5
Total expenditures	<u>100</u>	<u>100</u>	<u>95</u>	<u>5</u>
Excess of revenues over (under) expenditures	(100)	(100)	25	125
Fund balance at beginning of year	4,023	4,023	4,023	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,923</u>	<u>\$ 3,923</u>	<u>\$ 4,048</u>	<u>\$ 125</u>

Statistical Section

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

City of Amherst, Ohio

Governmental Activities

Revenues by Source and Expenses by Function

Last Three Years (2)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues			
Charges for services and sales	\$ 664,937	\$ 1,195,185	\$ 1,138,752
Operating grants and contributions	1,409,358	989,072	1,147,698
Capital grants and contributions	260,435	242,451	224,463
General Revenues			
Property taxes	1,387,620	1,192,237	994,262
Municipal income taxes	3,969,711	3,854,278	3,866,294
Grants and entitlements not restricted to specific programs	389,082	673,754	491,904
Investment earnings	518,177	301,412	286,316
Gain on sale of capital assets	10,798	-	-
Payments in lieu of taxes	-	3,275	-
Miscellaneous	148,285	206,882	164,061
Transfers	-	-	293,000
Special Item	357,378	-	-
Total	<u>\$ 9,115,781</u>	<u>\$ 8,658,546</u>	<u>\$ 8,606,750</u>
Expenses:			
General government	\$ 951,096	\$ 2,317,483	\$ 1,624,209
Security of persons and property	3,785,329	2,855,859	3,026,629
Public health and welfare	205,063	209,452	269,524
Transportation	1,984,088	2,351,243	1,632,491
Community development	52,768	317,254	348,226
Leisure time activities	185,408	186,117	324,696
Central Services	34,371	-	-
Interest and fiscal charges	119,966	128,868	151,803
Transfers	-	2,415	-
Total	<u>\$ 7,318,089</u>	<u>\$ 8,368,691</u>	<u>\$ 7,377,578</u>

Source: City of Amherst, Finance Department

(1) Includes all governmental activities.

(2) Fiscal Year 2003 is the first year reported in accordance with GASB Statement No. 34.

City of Amherst, Ohio

Governmental Revenues by Source and Expenditures by Function⁽¹⁾

Last Ten Years

	2005	2004	2003	2002
Revenues:				
Property and other local taxes	\$ 1,337,465	\$ 1,188,100	\$ 991,775	\$ 1,167,758
Municipal income taxes	3,865,734	3,927,202	3,788,947	3,725,200
Intergovernmental	2,090,892	1,800,248	1,725,403	2,401,816
Charges for services	285,148	290,796	314,972	350,321
Fees, licenses and permits	315,432	366,938	420,083	217,192
Fines and Forfeitures	64,356	-	-	-
Contributions and donations	-	4,386	164,205	48,241
Special assessments	-	-	-	-
Investment income	518,177	301,412	286,316	330,833
Rental income	-	-	28,185	22,350
Miscellaneous income	198,285	162,089	135,306	81,084
Total	\$ 8,675,489	\$ 8,041,171	\$ 7,855,192	\$ 8,344,795
Expenditures:				
Current:				
General government	\$ 904,361	\$ 1,665,590	\$ 1,181,052	\$ 1,342,248
Security of persons and property	3,241,446	2,766,068	2,662,351	2,509,091
Public health and welfare	205,856	207,574	266,206	212,335
Transportation	1,329,361	1,661,249	1,029,501	791,440
Central Services	35,902	-	-	-
Community development	66,356	318,764	344,776	153,245
Leisure time activities	168,781	172,837	193,476	414,298
Basic utility services	-	-	-	-
Capital outlay	2,871,096	1,891,182	3,346,438	1,518,687
Debt service:				
Principal retirement	233,335	206,925	133,000	156,440
Interest and fiscal charges	95,095	98,505	151,275	162,548
Total	\$ 9,151,589	\$ 8,988,694	\$ 9,308,075	\$ 7,260,332

Source: City financial records

(1) Information is based on modified accrual.

	2001	2000	1999	1998	1997	1996
\$	1,169,182	\$ 1,041,042	\$ 1,040,375	\$ 1,007,546	\$ 972,818	\$ 910,926
	3,651,332	3,343,168	3,448,136	3,339,333	2,986,265	3,156,450
	2,124,088	1,611,675	1,488,573	1,384,658	1,182,692	1,191,003
	532,846	539,138	472,839	394,814	342,182	455,777
	318,079	154,903	195,584	148,415	115,094	117,949
	-	-	-	-	-	-
	151,050	15,000	-	-	-	-
	-	-	-	-	-	-
	694,517	988,512	845,505	542,981	453,349	410,243
	-	16,376	-	17,368	13,468	3,978
	134,786	61,796	484,130	152,747	85,500	64,346
\$	<u>8,775,880</u>	<u>7,771,610</u>	<u>7,975,142</u>	<u>6,987,862</u>	<u>6,151,368</u>	<u>6,310,672</u>
\$	1,870,746	\$ 2,286,294	\$ 1,666,854	\$ 1,038,884	\$ 1,010,571	\$ 822,054
	2,354,057	2,084,632	1,927,491	1,873,275	1,661,003	1,519,622
	232,374	211,198	183,883	226,816	157,076	143,368
	946,083	856,361	792,423	649,567	650,314	931,260
	-	-	-	-	-	-
	171,746	206,578	131,734	109,571	91,357	63,865
	233,885	156,305	139,402	151,680	408,297	123,920
	-	-	-	-	81,935	83,989
	1,986,509	800,320	1,369,075	1,283,508	1,906,867	2,309,746
	162,359	125,161	276,000	101,000	96,000	91,000
	161,760	160,349	195,468	280,350	183,009	183,150
\$	<u>8,119,519</u>	<u>6,887,198</u>	<u>6,682,330</u>	<u>5,714,651</u>	<u>6,246,429</u>	<u>6,271,974</u>

City of Amherst, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Total Tax Levy</u>	<u>Delinquent Tax Levy Collections</u>
2005	\$ 1,304,357	\$ 1,272,619	97.57%	\$ 34,027
2004	1,265,889	1,235,798	97.62%	28,813
2003	1,182,379	1,150,168	97.28%	33,819
2002	1,161,290	1,124,502	96.83%	26,128
2001	1,149,617	1,118,764	97.32%	30,690
2000	1,022,049	990,743	96.94%	24,251
1999	1,014,406	987,449	97.34%	23,639
1998	1,060,110	1,033,552	97.49%	30,917
1997	811,095	785,675	96.87%	12,552
1996	779,678	764,027	97.99%	14,087

Source: Lorain County, Ohio: County Auditor.

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

Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Tax Levy
\$ 1,306,646	100.18%	\$ 32,211	2.47%
1,265,611	99.98%	55,427	4.38%
1,183,987	100.14%	30,799	2.60%
1,150,630	99.08%	23,582	2.03%
1,149,454	99.99%	35,546	3.09%
1,014,994	99.31%	38,346	3.75%
1,011,088	99.67%	32,596	3.21%
1,064,469	100.41%	31,958	3.01%
798,227	98.41%	29,368	3.62%
778,114	99.80%	18,576	2.38%

City of Amherst, Ohio

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Year	Real Property		Public Utility - Personal	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value
2005	\$ 283,657,140	\$ 810,448,971	\$ 3,307,850	\$ 3,758,920
2004 (2)	266,871,300	762,489,429	3,748,390	4,259,534
2003	242,214,990	692,042,829	3,944,970	4,482,920
2002	235,848,250	673,852,143	3,780,300	4,295,795
2001	231,059,630	660,170,371	5,692,860	6,469,159
2000	196,606,640	561,733,257	5,701,900	6,479,432
1999	191,456,420	547,018,343	5,853,200	6,651,364
1998	181,472,120	518,491,771	5,778,870	6,566,898
1997	148,646,190	424,703,400	5,811,310	6,603,761
1996	143,163,470	409,038,486	5,829,430	6,624,352

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 true value for capital assets and twenty-four percent of true value for inventory.

(2) - Reflects triennial adjustment.

Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
Assessed Value	Estimated Actual Value (B)	Assessed Value	Estimated Actual Value	
\$ 13,687,020	\$ 54,748,080	\$ 300,652,010	\$ 868,955,971	34.60%
14,702,555	58,810,220	285,322,245	825,559,183	34.56%
17,418,620	69,674,480	263,578,580	766,200,229	34.40%
19,348,620	77,394,480	258,977,170	755,542,418	34.28%
18,953,000	75,812,000	255,705,490	742,451,530	34.44%
18,188,231	72,752,924	220,496,771	640,965,613	34.40%
18,834,889	75,339,556	216,144,509	629,009,263	34.36%
16,914,700	67,658,800	204,165,690	592,717,469	34.45%
17,451,520	69,806,080	171,909,020	501,113,241	34.31%
15,788,151	63,152,604	164,781,051	478,815,442	34.41%

City of Amherst, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)

Last Ten Years

Year	City	Health District	Lorain County	Amherst Exempted School District	Lorain County Joint Vocational School	Total
2005	\$ 4.75	\$ 1.00	\$ 13.49	\$ 61.98	\$ 2.45	\$ 83.67
2004	4.75	1.00	13.19	61.98	2.45	83.37
2003	4.75	1.00	12.89	62.05	2.45	83.14
2002	4.80	1.00	12.89	60.88	2.45	82.02
2001	6.13	-	10.79	62.42	2.45	81.79
2000	6.77	-	10.79	57.98	2.45	77.99
1999	6.77	-	10.79	57.98	2.45	77.99
1998	6.77	-	10.79	57.98	2.45	77.99
1997	6.77	-	12.69	57.98	2.45	79.89
1996	5.77	-	12.69	53.08	2.45	73.99

Source: Lorain County Auditor.

City of Amherst, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Year	Population (1)	Assessed Value (2)	General Bonded Debt (3)	Debt Service Monies Available	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
2005	11,797	\$ 300,652,010	\$ 2,615,759	\$ 375,077	\$ 2,240,682	0.75%	\$ 189.94
2004	11,797	293,271,875	2,779,497	257,053	2,522,444	0.86%	213.82
2003	11,797	263,578,580	2,948,000	395,556	2,552,444	0.97%	216.36
2002	11,797	258,977,170	2,781,000	541,686	2,239,314	0.86%	189.82
2001	11,797	255,705,490	2,904,000	482,033	2,421,967	0.95%	205.30
2000	10,332	220,496,771	3,027,000	430,891	2,596,109	1.18%	251.27
1999	10,332	216,144,509	3,145,000	449,543	2,695,457	1.25%	260.88
1998	10,332	204,165,690	3,421,000	440,005	2,980,995	1.46%	288.52
1997	10,332	171,909,020	2,822,000	313,507	2,508,493	1.46%	242.79
1996	10,332	164,781,051	2,918,000	195,720	2,722,280	1.65%	263.48

(1) - Source: U.S. Bureau of Census, of Population

(2) - Source: Lorain County Auditor.

(3) - Includes all general obligation bonded debt payable from property taxes.

City of Amherst, Ohio

Computation of Legal Debt Margin

December 31, 2005

Assessed Valuation		<u>\$ 300,652,010</u>
Debt Limit - 10.5% of Assessed Value (1)		31,568,461
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 2,615,759	
OPWC Loans	70,646	
Enterprise Funds' Notes	1,585,000	
Enterprise Funds' Bonds	4,140,000	
Enterprise Funds' OWDA Loan	8,099,235	
Enterprise Funds' OPWC Loan	83,039	
	<u>16,593,679</u>	
Total Gross Indebtedness		<u>16,593,679</u>
Less: Debt Outside Limitations:		
OPWC Loans	70,646	
Enterprise Funds' Notes	1,585,000	
Enterprise Funds' Bonds	4,140,000	
Enterprise Funds' OWDA Loan	8,099,235	
Enterprise Funds' OPWC Loan	83,039	
	<u>13,977,920</u>	
Total Debt Outside Limitations		<u>13,977,920</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	2,615,759	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitations	<u>375,077</u>	
Net Debt Within 10.5% Limitation		<u>2,240,682</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$ 29,327,779</u>
<hr/>		
Unvoted Debt Limitation - 5.5% of Assessed Value		\$ 16,535,861
Gross Indebtedness Authorized by Council	<u>\$ 16,593,679</u>	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	<u>13,977,920</u>	
Debt Within 5.5% Limitation	2,615,759	
Less: Amount Available in Debt Service Fund	<u>375,077</u>	
Net Debt Within 5.5% Limitation		<u>2,240,682</u>
Unvoted Debt Margin Within 5.5% Limitation		<u>\$ 14,295,179</u>

City of Amherst, Ohio

Computation of Direct and Overlapping Debt

December 31, 2005

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Amherst</u>	<u>Amount Applicable to City of Amherst</u>
<u>Direct:</u>			
City of Amherst	\$ 2,615,759	100%	\$ 2,615,759
<u>Overlapping:</u>			
Lorain County	<u>28,165,000</u>	4.70%	<u>1,323,755</u>
Total	<u>\$ 30,780,759</u>		<u>\$ 3,939,514</u>

Source: Lorain County Auditor

The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Amherst, Ohio

Ratio of Annual Debt Service Expenditures to
General Bonded Debt to Total General Governmental Expenditure

Last Ten Years

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2005	\$ 195,000	\$ 93,401	\$ 288,401	\$ 9,151,589	3.15%
2004	198,000	99,355	297,355	8,988,694	3.31%
2003	128,000	145,267	273,267	9,308,075	2.94%
2002	123,000	148,708	271,708	7,260,332	3.74%
2001	123,000	154,295	277,295	8,119,519	3.42%
2000	118,000	159,548	277,548	6,887,198	4.03%
1999	276,000	188,729	464,729	6,682,330	6.95%
1998	101,000	145,682	246,682	5,714,651	4.32%
1997	96,000	149,630	245,630	6,271,974	3.92%
1996	91,000	153,234	244,234	6,271,974	3.89%

Source: City of Amherst, Auditor's Office

City of Amherst, Ohio

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate - Lorain C'ounty (3)</u>
2005	11,797	4,257	5.8%
2004	11,797	4,232	6.2%
2003	11,797	4,190	6.6%
2002	11,797	3,967	7.1%
2001	11,797	3,758	5.6%
2000	11,797	3,873	5.4%
1999	10,332	3,768	5.0%
1998	10,332	3,732	3.6%
1997	10,332	3,629	6.1%
1996	10,332	3,608	7.8%

(1) - Source: U.S. Bureau of Census, 2000 Federal Census

(2) - Source: Amherst Exempted Village School Board of Education

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

Information Department

City of Amherst, Ohio

Construction and Bank Deposits

Last Ten Years

Year	New Construction Value (1)		Domestic Bank Deposits in the County (2, 3) (In Thousands)	Assessed Value (4)
	Residential	Commercial/ Industrial		
2005	\$ 13,768,759	\$ 7,983,843	\$ 738,948	\$ 300,652,010
2004	17,667,354	3,418,612	685,900	293,271,875
2003	21,372,258	8,987,846	649,005	263,578,580
2002	16,297,860	8,132,228	614,592	255,705,490
2001	13,896,947	15,372,806	555,591	255,705,490
2000	13,028,745	648,696	513,102	220,496,771
1999	19,091,385	1,038,000	463,993	216,144,509
1998	10,253,228	4,099,000	444,974	204,165,690
1997	9,228,019	4,170,000	1,381,977	171,909,020
1996	12,362,892	7,855,000	1,329,795	164,781,051

(1) Source: City of Amherst Building Department Records

(2) Source: Federal Reserve Bank of Cleveland

(3) The decrease at 1998 resulted when out-of-county banks acquired local bank branches.
The deposits were moved out of Lorain County.

(4) Source: Lorain County Auditor

City of Amherst, Ohio

Principal Taxpayers

December 31, 2005

Taxpayer	Real Property Assessed Value	Percent of Total Assessed Valuation
Nordson Corp	\$4,776,770	1.68%
Amherst Plaza Limited	2,802,080	0.99%
Acadia Amherst LLC	2,301,250	0.81%
Cawrse Richard S. Jr.	1,319,340	0.47%
Spitzer A. Team Limited	1,160,530	0.41%
Centurytel of Ohio, Inc.	1,174,590	0.41%
Amherst Manor Coompany	993,290	0.35%
Central Village Ltd. Co.	933,290	0.33%
Lilley Britt C. Trustee	828,130	0.29%
Pinecrest Apartments Ltd.	805,750	0.28%
Subtotal	17,095,020	6.02%
All Others	266,562,120	93.97%
Total	\$283,657,140	99.99%

(1) Assessed valuation based on the valuation of property taxes collected in 2005 and a 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.

Source: Lorain County Auditor.

City of Amherst, Ohio

Miscellaneous Statistics

December 31, 2005

Year of Incorporation	1962
Form of Government	Mayor/Council
Area	5.26 Square Miles
Miles of Street	69
Number of street lights	1,472
Fire Protection:	
Number of Stations	1
Number of firefighters and officers	32
Police Protection:	
Number of Stations	1
Number of policepersons and officers	37
Municipal water department:	
Active accounts	5,737
Average daily consumption	1,237,871 Gallons
Miles of water mains	44
Sewers:	
Active accounts	4,704
Average amount processed daily	1,004,644 Gallons
Miles of sanitary sewers	38
Miles of storm sewers	28
Electric:	
Active accounts	5,737
Average daily consumption	264,526 Kilowatt Hours
Building permits issued	958
Recreation and culture:	
Number of parks	4
Number of libraries	1
Number of library volumes	75,000
Employees:	
Full-Time	68
Part-Time	68

Source: City of Amherst



**Auditor of State
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800-282-0370

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CITY OF AMHERST

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 14, 2006**