



Dave Yost • Auditor of State

CITY OF AMHERST
LORAIN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2013, wherein we noted during the year ended December 31, 2012, it was determined that capital assets were overstated by a recent appraisal report and as a result restated their December 31, 2011 net position of Business-Type Activities, Water, Sewer, and Electric Funds.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

Columbus, Ohio

June 27, 2013

Comprehensive Annual Financial Report



**City of
Amherst, Ohio**

**For the Year Ended
December 31, 2012**

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City of Amherst, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012

Prepared by:
David Kukucka, City Auditor

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Introductory Section

City of Amherst, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2012

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City of Amherst, Ohio

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City of Amherst, Ohio

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City Of Amherst

David C. Kukucka, Auditor

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

June 27, 2013

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

We are pleased to submit to you the City of Amherst's eleventh Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2012.

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

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

The Reporting Entity

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

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

THE CITY

General Introduction

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

Effective in 2003, the PMSA was redefined to exclude Ashtabula County and was re-classified as the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA). The CMSA was re-classified as the Cleveland-Akron-Elyria Combined Statistical Area (CSA). Only limited statistics are now available for information collected during the 2010 Census.

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

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

Percent of Assessed Valuation of Real Property (Collection Year 2012)	
Residential	81.28%
Commercial/Industrial	18.16
Public Utility	0.56
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

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

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

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

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

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

City Government

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

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

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

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

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

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

City Facilities

The City's facilities estimated replacement value is \$45,041,881.

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 \$45,041,881, with a deductible of \$5,000.

Economic and Demographic Information

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

N/A – not available at time of report.

Utilities; Public Safety and Services

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

The City owns and operates a sanitary sewer system consisting of a wastewater treatment plant, 69 miles of sanitary sewers and six pump stations, and serving approximately 4,912 residential and commercial users living both within and outside the City. The treatment plant was built in 1927, expanded in 1956, 1970 and 1986, and upgraded in 1990, 1994, and 2005. The City is currently in compliance with State environmental laws. The City has a National Pollutant Discharge Elimination System Permit. With the expanded plant the quantity of sewage permitted to be treated was increased.

The City's electric distribution system consists of two substations, 51 miles of overhead lines and approximately 17 miles of underground lines, and serves approximately 5,852 residential and commercial users within and outside the City. The City began to operate an electric utility during the 1920s. During the 1940s, it constructed an electric generating plant and began providing electric service to residential and commercial customers from its generating facilities and electricity purchased from commercial sources. In the early 1950s, the City retired its generating plant but continued distributing electric power purchased from other sources. The electric system was renovated in 1972 and 1980. In 1988, the entire system was upgraded with a new substation on the City's west side and in 1999, the City rebuilt the Gordon Avenue substation. In 1992, the City entered into a contract with American Municipal Power – Ohio, Inc. (AMP-Ohio) under which AMP-Ohio agreed to supply 100% of the electricity required by the City. In 2000, the Northeast Service Group entered into a joint venture (JV1) agreement to purchase peak generation. In 2007, the City entered into an agreement with AMP-Ohio to purchase capacity from AMP-Ohio proposed ownership interest in Prairie State Energy Campus and AMP-Ohio Hydroelectric Projects.

The City owns and operates a water distribution system with over 70 miles of water lines. The City purchases water from the Cities of Elyria and Lorain and distributes it to approximately 5,908 residential and commercial users within and outside the City. The system was built in 1911, renovated in 1964, 1968 and 1990 and most recently expanded in 1996. The initial terms of the contract with Elyria expire on December 31, 2025, with a right to continue in five year increments until either party wishes to terminate giving a two year notice. The City's contract with Lorain expires on December 31, 2015.

Economic Activity

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

The Nord Family Foundation, one of the successors to the charitable trust originally established by Walter G. Nord in 1952, is also located in the City. The Foundation has contributed over \$71 million to charitable and philanthropic purposes predominantly in northern Ohio.

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

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

Cloverdale Farms LLS is contemplating expanding its operation in the City of Amherst by investing approximately \$3,000,000 to remodel its current site. Cloverdale is also planning to add 452 new jobs beyond its original 101 jobs. Through the end of 2012, they presently have approximately 300 total jobs.

FINANCIAL MATTERS

Introduction

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

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

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

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

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

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Financial Reports and Audits

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

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

Awards

The City has issued a Comprehensive Annual Financial Report (CAFR), including General Purpose Financial Statements for each of the years ended December 31, 1999 through 2001 and Basic Financial Statements each of the years ended December 31, 2002 through 2011. The CAFRs through December 31, 2011 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 2012 CAFR to GFOA for consideration.

The City also received the Making Your Tax Dollars Count Award from the State Auditor for excellence in financial reporting in connection with the 2006-2011 CAFRs. Fewer than five percent of all Ohio government agencies are eligible for this award. The City is the only governmental entity in Lorain County to have received this prestigious award.

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

The most recent audit (including compliance audit) of the City's accounts by Balestra, Harr & Scherer CPA's, Inc., an independent accounting firm, was completed for the year ended December 31, 2011. The Basic Financial Statements of the City for the year ended December 31, 2012, have been audited by The State Auditor, as stated in their report appearing in these statements.

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

Internal Control

The management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

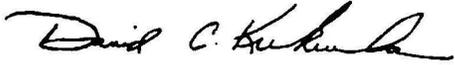
Acknowledgements

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

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

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

Respectfully submitted,

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

David C. Kukucka
Amherst City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Amherst
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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.



Christopher P. Morill

President

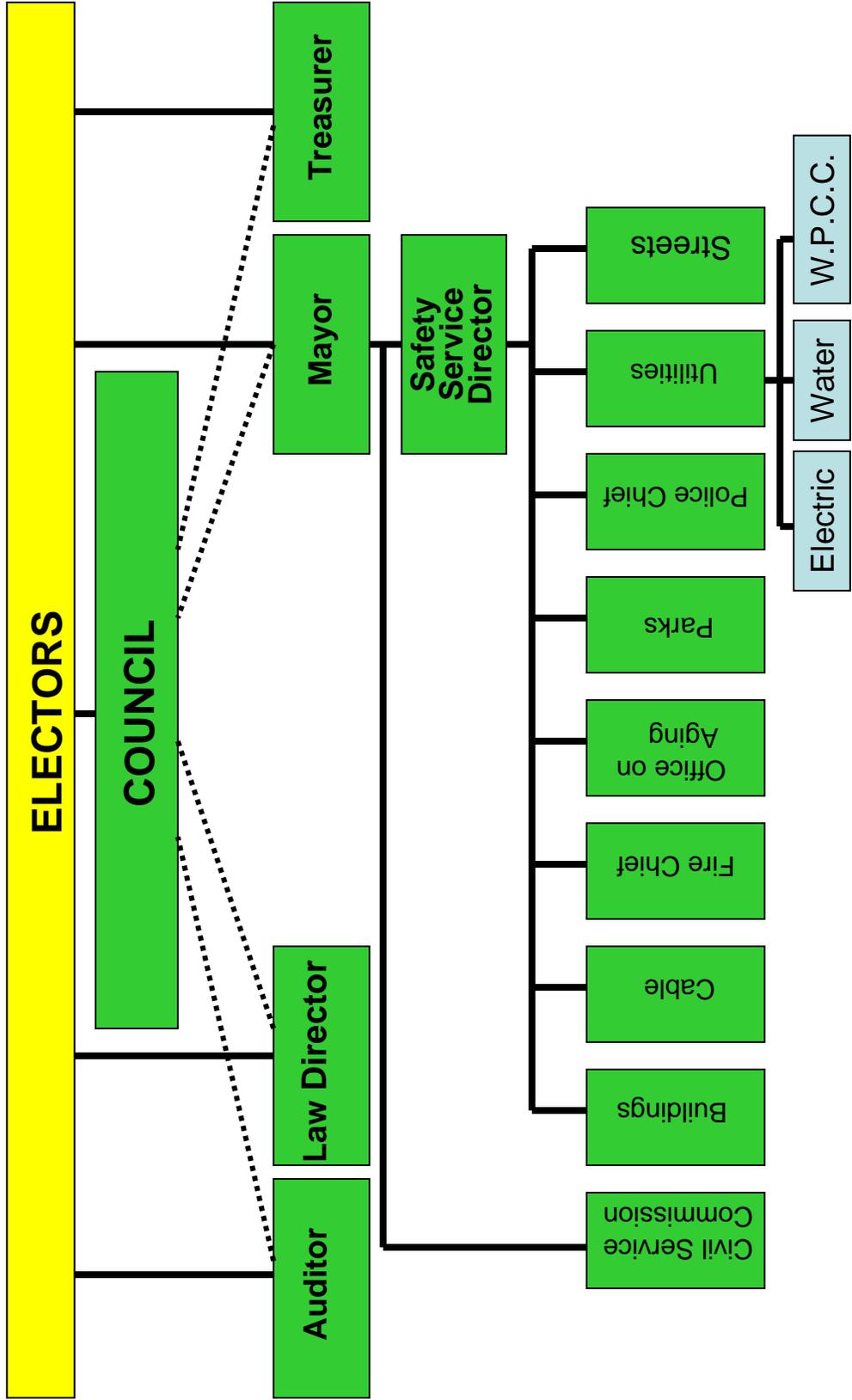
Jeffrey R. Emer

Executive Director

Management Structure

City of Amherst

Departmental Organizational Chart



City of Amherst, Ohio
Principal Officials

Elected Officials

Mayor	David G. Taylor
President of Council	John S. Dietrich
Council Member Ward 1	Steve Bukovac
Council Member Ward 2	David W. Goodell
Council Member Ward 3	Charles S. Winiarski
Council Member Ward 4	Jennifer L. Scott-Wasilk
Council Member – At large	Frank Janik
Council Member – At large	Steven J. Mihalcik
Council Member – At large	Phil Van Treuren
Auditor	David Kukucka
Director of Law	Anthony R. Pecora
Treasurer	Mark Hullman

Appointed Officials

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

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Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 20 to the financial statements, during the year ended December 31, 2012, it was determined that capital assets were overstated by a recent appraisal report and as a result restated their December 31, 2011 net position of Business-Type Activities, Water, Sewer, and Electric Funds. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, and individual fund schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 27, 2013

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

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, 2012. 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 2012 are:

- Total assets decreased by \$515,968 or a .7 percent decrease from 2011.
- Total net position increased by \$1,196,328 or a 2.1 percent increase over 2011.
- Total net capital assets decreased by \$656,972, or a 1.4 percent decrease from 2011.
- Total outstanding long-term liabilities decreased by \$1,263,240. This was a 9.7 percent decrease from 2011 due primarily to the payment of principal during 2012.
- Municipal income tax revenue for governmental activities increased \$445,913, or an 11.06 percent increase from 2011.

Using this Comprehensive Annual Financial Report (CAFR)

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did the City do financially during 2012?" The *Statement of Net Position* 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 position and its changes. The changes in net position are important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

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

- Assets
- Deferred Outflows of Resources (The City currently does not have any of these items.)
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position Beginning of Year and End of Year

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

The City as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011.

Table 1
Net Position

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011*	2012	2011*
Current and other assets	\$ 13,739,342	\$ 13,345,987	\$ 14,047,905	\$ 14,300,256	\$ 27,787,247	\$ 27,646,243
Capital assets, net	23,672,601	23,972,500	20,592,054	20,949,127	44,264,655	44,921,627
Total assets	37,411,943	37,318,487	34,639,959	35,249,383	72,051,902	72,567,870
Current and other liabilities	494,391	2,174,755	589,100	533,372	1,083,491	2,708,127
Long-term liabilities:						
Due within one year	403,088	341,124	804,170	1,028,938	1,207,258	1,370,062
Due in more than one year	2,958,736	3,289,687	7,569,390	8,338,875	10,528,126	11,628,562
Total liabilities	3,856,215	5,805,566	8,962,660	9,901,185	12,818,875	15,706,751
Deferred inflows of resources						
Property taxes not levied to finance current year operations	1,175,580	-	-	-	1,175,580	-
Net investment in capital assets	21,025,115	21,005,542	12,322,668	12,329,752	33,347,783	33,335,294
Restricted for:						
Capital projects	5,301,032	4,892,597	-	-	5,301,032	4,892,597
Debt service	415,822	428,456	-	-	415,822	428,456
Other purposes	2,422,760	2,434,810	-	-	2,422,760	2,434,810
Unrestricted	3,215,419	2,751,516	13,354,631	13,018,446	16,570,050	15,769,962
Total net position	\$ 32,380,148	\$ 31,512,921	\$ 25,677,299	\$ 25,348,198	\$ 58,057,447	\$ 56,861,119

* As restated, see Note 20 for additional information.

Total assets decreased as compared to the prior year in the amount of \$515,968. Current and other assets increased \$141,004 while capital assets decreased \$656,972. The increase to current and other assets is due primarily to an increase in equity in pooled cash and investments. The decrease to capital assets is due to current year depreciation, which was partially offset by current year additions.

Total liabilities decreased by \$2,887,876. Long-term liabilities decreased primarily due to the affect of long term debt payments during the year. Current liabilities decreased while deferred inflows of resources increased due to the effects of the implementation of GASB Statements No. 63 and 65 (See Note 16 for additional information).

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Table 2 shows the changes in net position for 2012 compared with 2011.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011*	2012	2011*
Revenues						
Program Revenues:						
Charges for services	\$ 790,448	\$ 629,290	\$ 15,643,243	\$ 15,042,402	\$ 16,433,691	\$ 15,671,692
Operating grants and contributions	662,183	596,887	-	-	662,183	596,887
Capital grants and contributions	44,133	332,017	-	-	44,133	332,017
Total program revenues	<u>1,496,764</u>	<u>1,558,194</u>	<u>15,643,243</u>	<u>15,042,402</u>	<u>17,140,007</u>	<u>16,600,596</u>
General revenues:						
Property and other taxes	1,306,162	1,341,931	-	-	1,306,162	1,341,931
Municipal income taxes	4,477,205	4,031,292	-	-	4,477,205	4,031,292
Grants and entitlements	896,214	670,001	-	-	896,214	670,001
Investment earnings	49,631	89,343	-	-	49,631	89,343
Miscellaneous income	109,109	82,382	14,381	21,914	123,490	104,296
Unrestricted contributions	3,250	4,296	-	-	3,250	4,296
Total general revenues	<u>6,841,571</u>	<u>6,219,245</u>	<u>14,381</u>	<u>21,914</u>	<u>6,855,952</u>	<u>6,241,159</u>
Total revenues	<u>8,338,335</u>	<u>7,777,439</u>	<u>15,657,624</u>	<u>15,064,316</u>	<u>23,995,959</u>	<u>22,841,755</u>
Program Expenses:						
General government	1,142,487	1,253,538	-	-	1,142,487	1,253,538
Security of persons and property	3,622,582	3,630,708	-	-	3,622,582	3,630,708
Public health and welfare	180,141	182,119	-	-	180,141	182,119
Transportation	2,058,750	2,158,982	-	-	2,058,750	2,158,982
Community development	138,690	120,958	-	-	138,690	120,958
Leisure time activities	195,425	208,193	-	-	195,425	208,193
Interest and fiscal charges	133,033	156,333	-	-	133,033	156,333
Water	-	-	2,864,731	2,455,719	2,864,731	2,455,719
Sewer	-	-	2,457,752	2,211,743	2,457,752	2,211,743
Electric	-	-	10,006,040	9,533,399	10,006,040	9,533,399
Total program expenses	<u>7,471,108</u>	<u>7,710,831</u>	<u>15,328,523</u>	<u>14,200,861</u>	<u>22,799,631</u>	<u>21,911,692</u>
Change in net position	867,227	66,608	329,101	863,455	1,196,328	930,063
Net Position, Beginning of Year	31,512,921	31,446,313	25,348,198	24,484,743	56,861,119	55,931,056
Net Position, End of Year	<u>\$ 32,380,148</u>	<u>\$ 31,512,921</u>	<u>\$ 25,677,299</u>	<u>\$ 25,348,198</u>	<u>\$ 58,057,447</u>	<u>\$ 56,861,119</u>

* As restated, see Note 20 for additional information.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Governmental Activities

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

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

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

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

General property and other taxes are also a significant source of revenues. Although this is a much more stable tax, property and other taxes constitute only about 19.09 percent of the general revenues for the City. In addition to the general property and other taxes, the City has a one-mill levy for the Fire Apparatus Levy Fund. Although the operating expenses of the Fire Department come from the General Fund, the Fire Apparatus Levy Fund provides resources for all equipment and facility maintenance.

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

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

The City has pursued grants and donations to help fund particular projects that might have been funded through the General Fund. Grants have helped fund park projects, police work, the renovation of City Hall, beautification efforts, and downtown revitalization. Grants and entitlements increased during 2012 due to monies received from estates.

The capital grants and contributions decreased by \$287,884 in the governmental activities due to the completion of projects. Program expenses decreased slightly by 3 percent, with the most significant decreases in general government and transportation.

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

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

Table 3
Program Expenses

	Governmental Activities		Business-Type Activities		Total	
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services	of Services	of Services
	2012	2012	2012	2012	2012	2012
General government	\$ 1,142,487	\$ 1,037,322	\$ -	\$ -	\$ 1,142,487	\$ 1,037,322
Security of persons and property	3,622,582	3,299,760	-	-	3,622,582	3,299,760
Public health and welfare	180,141	83,998	-	-	180,141	83,998
Transportation	2,058,750	1,247,648	-	-	2,058,750	1,247,648
Community development	138,690	122,402	-	-	138,690	122,402
Leisure time activities	195,425	50,181	-	-	195,425	50,181
Interest and fiscal charges	133,033	133,033	-	-	133,033	133,033
Water	-	-	2,864,731	106,217	2,864,731	106,217
Sewer	-	-	2,457,752	(166,868)	2,457,752	(166,868)
Electric	-	-	10,006,040	(254,069)	10,006,040	(254,069)
Total Cost of Services	\$ 7,471,108	\$ 5,974,344	\$ 15,328,523	\$ (314,720)	\$ 22,799,631	\$ 5,659,624

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

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

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$8,521,690 and expenditures and other financing uses of \$7,977,948. The most significant fund in terms of revenues and expenditures is the General Fund with a year-end fund balance of \$2,466,022. The increase to intergovernmental revenues is due to monies received from estates during 2012. Security of persons and property increased as a result of accrued wages for overtime worked.

The Street Improvement Income Tax Fund had a year end fund balance of \$4,434,525 with revenues of \$1,041,762 and expenditures of \$784,753. There was a net increase in fund balance of \$257,009. The decrease to expenditures is due to a decrease in capital outlay. The decrease in revenues is primarily due to a decrease in intergovernmental revenues.

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 2012, the City did not amend its General Fund budget. Expenditures in excess of \$25,000 must go before Council for approval. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, before being sent on to Council for Ordinance enactment on the change. Since the Appropriations Ordinance is passed on a line item level, any change to any line item is a formal amendment.

The General Fund's actual revenues exceeded final budgeted revenues by \$59,802 which was primarily due to municipal income taxes actual revenues, intergovernmental, and miscellaneous actual revenues exceeding final budgeted revenues, which was partially offset by actual transfers in being less than the budgeted amount.

The General Fund's actual expenditures were \$902,331 less than final budgeted expenditures with the primary reasons being less than anticipated transfers out, and less than anticipated expenditures in general government and security of persons and property.

The General Fund supports many major activities such as the Police Department, Fire Department, Building Department, as well as the legislative and executive activities. Some major capital projects are funded with General Fund dollars. The City continued to maintain a respectable level of liquidity, as compared to surrounding communities in the General Fund by maintaining an unreserved budgetary fund balance of \$1,109,607 (approximately a 53 percent increase from the prior year) at year-end due to more revenues coming into the City and less expenditures paid out by the City than the amounts budgeted for the year in addition to the carry over balance.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Capital Assets and Debt Administration

Capital Assets

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011*	2012	2011*
Land	\$ 1,398,148	\$ 1,398,148	\$ 65,121	\$ 65,121	\$ 1,463,269	\$ 1,463,269
Buildings	2,445,842	2,565,246	4,758,871	4,898,043	7,204,713	7,463,289
Improvements other than buildings	437,668	491,933	2,030,360	2,198,126	2,468,028	2,690,059
Machinery and equipment	962,646	985,500	4,494,611	4,723,064	5,457,257	5,708,564
Vehicles	695,044	803,178	284,988	42,528	980,032	845,706
Infrastructure:						
Roads	17,733,253	17,728,495	-	-	17,733,253	17,728,495
Water lines	-	-	2,332,090	2,258,077	2,332,090	2,258,077
Sewer lines	-	-	4,757,252	4,849,043	4,757,252	4,849,043
Electric lines	-	-	1,868,761	1,915,125	1,868,761	1,915,125
Total capital assets	<u>\$ 23,672,601</u>	<u>\$ 23,972,500</u>	<u>\$ 20,592,054</u>	<u>\$ 20,949,127</u>	<u>\$ 44,264,655</u>	<u>\$ 44,921,627</u>

* As restated, see Note 20 for additional information.

Total capital assets for the City of Amherst as of December 31, 2012 were \$44,264,655. For additional information on capital assets, see Note 7 to the basic financial statements.

The Ohio Public Works Commission provides grants for various public works projects to local governments across the State of Ohio. These Issue II funds have been a continued source of resources for improvements for several years, and our current .25 percent income tax for street improvements will continue to provide the necessary matching funds through 2019 when the current levy will be up for renewal.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

Debt

On December 31, 2012, the City of Amherst had \$11,735,384 in bonds, loans, leases, severance, compensated absences and notes outstanding with \$1,207,258 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding, severance and compensated absences.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 2,362,866	\$ 2,622,147	\$ 1,935,000	\$ 2,414,996	\$ 4,297,866	\$ 5,037,143
Notes Payable	-	-	515,000	672,000	515,000	672,000
OWDA Loans	-	-	5,757,790	6,134,135	5,757,790	6,134,135
OPWC Loans	466,650	501,958	61,596	70,244	528,246	572,202
Capital Leases	10,836	-	-	-	10,836	-
Severance Liability	44,216	-	10,471	-	54,687	-
Compensated Absences	477,256	506,706	93,703	76,438	570,959	583,144
Total	<u>\$ 3,361,824</u>	<u>\$ 3,630,811</u>	<u>\$ 8,373,560</u>	<u>\$ 9,367,813</u>	<u>\$ 11,735,384</u>	<u>\$ 12,998,624</u>

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

Current Issues

The City of Amherst is currently in a positive cash position having a total equity in pooled cash and investments (excluding Fiduciary Funds) of \$19,006,796 as of December 31, 2012. The major strength of the cash balance is in the Street Improvement Income Tax Fund and in the Enterprise Funds. Both of these areas continue to have extensive capital projects underway. Each year since its inception in 1999, the Street Improvement Income Tax Fund has financed an aggressive street improvement program. All roads have been repaired and are in good working order. The second water tower has been upgraded and renovated; however, a study is continuing to determine pressure problems in the system that may have to be corrected. Water meters are currently being replaced with electronic read meters.

Economic Factors

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2012

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

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

Contacting the City's Finance Department

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

Basic Financial Statements

City of Amherst, Ohio

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 9,979,476	\$ 9,027,320	\$ 19,006,796
Restricted assets:			
Customer deposits	-	248,708	248,708
Accounts receivable	49,047	3,445,730	3,494,777
Intergovernmental receivable	521,734	-	521,734
Accrued interest receivable	32,121	-	32,121
Prepaid items	58,280	25,626	83,906
Materials and supplies inventory	178,078	324,124	502,202
Income taxes receivable	1,723,661	-	1,723,661
Property taxes receivable	1,196,945	-	1,196,945
Investment in joint venture	-	976,397	976,397
Non-depreciable capital assets	1,398,148	65,121	1,463,269
Depreciable capital assets, net	22,274,453	20,526,933	42,801,386
Total assets	<u>37,411,943</u>	<u>34,639,959</u>	<u>72,051,902</u>
Liabilities:			
Accounts payable	66,337	233,173	299,510
Contracts payable	90,308	13,015	103,323
Claims payable	106,540	-	106,540
Accrued wages and benefits payable	60,572	40,218	100,790
Intergovernmental payable	148,884	50,384	199,268
Accrued interest payable	5,174	3,602	8,776
Matured compensated absences payable	16,576	-	16,576
Customer deposits	-	248,708	248,708
Long-term liabilities:			
Due within one year	403,088	804,170	1,207,258
Due in more than one year	2,958,736	7,569,390	10,528,126
Total liabilities	<u>3,856,215</u>	<u>8,962,660</u>	<u>12,818,875</u>
Deferred Inflows of resources:			
Property taxes not levied to finance current year operations	1,175,580	-	1,175,580
Net position:			
Net investment in capital assets	21,025,115	12,322,668	33,347,783
Restricted for:			
Capital projects	5,301,032	-	5,301,032
Debt service	415,822	-	415,822
Street maintenance and repair	883,877	-	883,877
Planning commission	252,025	-	252,025
Park Trust	211,246	-	211,246
Cable television	729,156	-	729,156
Other purposes	346,456	-	346,456
Unrestricted	3,215,419	13,354,631	16,570,050
Total net position	<u>\$ 32,380,148</u>	<u>\$ 25,677,299</u>	<u>\$ 58,057,447</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Activities

For the Year Ended December 31, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,142,487	\$ 75,126	\$ 30,039	\$ -
Security of persons and property	3,622,582	310,235	2,001	10,586
Public health and welfare	180,141	39,086	57,057	-
Transportation	2,058,750	298,986	478,569	33,547
Community development	138,690	11,165	5,123	-
Leisure time activities	195,425	55,850	89,394	-
Interest and fiscal charges	133,033	-	-	-
Total governmental activities	<u>7,471,108</u>	<u>790,448</u>	<u>662,183</u>	<u>44,133</u>
Business-type activities:				
Water	2,864,731	2,758,514	-	-
Sewer	2,457,752	2,624,620	-	-
Electric	10,006,040	10,260,109	-	-
Total business-type activities	<u>15,328,523</u>	<u>15,643,243</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,799,631</u>	<u>\$ 16,433,691</u>	<u>\$ 662,183</u>	<u>\$ 44,133</u>

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

Total general revenues

Change in net position

Net position at beginning of year - as restated, see note 20

Net position at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (1,037,322)	\$ -	\$ (1,037,322)
(3,299,760)	-	(3,299,760)
(83,998)	-	(83,998)
(1,247,648)	-	(1,247,648)
(122,402)	-	(122,402)
(50,181)	-	(50,181)
(133,033)	-	(133,033)
<u>(5,974,344)</u>	<u>-</u>	<u>(5,974,344)</u>
-	(106,217)	(106,217)
-	166,868	166,868
-	254,069	254,069
<u>-</u>	<u>314,720</u>	<u>314,720</u>
<u>(5,974,344)</u>	<u>314,720</u>	<u>(5,659,624)</u>
821,602	-	821,602
196,464	-	196,464
239,478	-	239,478
3,347,157	-	3,347,157
1,130,048	-	1,130,048
48,618	-	48,618
896,214	-	896,214
49,631	-	49,631
109,109	14,381	123,490
3,250	-	3,250
<u>6,841,571</u>	<u>14,381</u>	<u>6,855,952</u>
867,227	329,101	1,196,328
<u>31,512,921</u>	<u>25,348,198</u>	<u>56,861,119</u>
<u>\$ 32,380,148</u>	<u>\$ 25,677,299</u>	<u>\$ 58,057,447</u>

City of Amherst, Ohio

Balance Sheet Governmental Funds

December 31, 2012

	General	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,929,452	\$ 4,156,263	\$ 3,535,079	\$ 9,620,794
Materials and supplies inventory	110,455	-	67,623	178,078
Accrued interest receivable	32,121	-	-	32,121
Accounts receivable	23,393	-	25,654	49,047
Intergovernmental receivable	184,685	-	337,049	521,734
Prepaid items	43,412	-	14,868	58,280
Income taxes receivable	1,085,906	637,755	-	1,723,661
Property taxes receivable	770,682	-	426,263	1,196,945
Total assets	\$ 4,180,106	\$ 4,794,018	\$ 4,406,536	\$ 13,380,660
Liabilities:				
Accounts payable	\$ 33,336	\$ 757	\$ 32,244	\$ 66,337
Accrued wages and benefits payable	48,745	-	11,827	60,572
Contracts payable	2,328	7,331	80,649	90,308
Matured compensated absences payable	16,576	-	-	16,576
Intergovernmental payable	131,497	-	17,387	148,884
Total liabilities	232,482	8,088	142,107	382,677
Deferred Inflows of Resources:				
Property taxes not levied to finance current year operations	770,682	-	423,287	1,193,969
Unavailable revenue	710,920	351,405	252,068	1,314,393
Total deferred inflows of resources	1,481,602	351,405	675,355	2,508,362
Fund balances:				
Nonspendable	154,041	-	82,491	236,532
Restricted	-	4,434,525	3,456,583	7,891,108
Committed	-	-	50,000	50,000
Assigned	16,106	-	-	16,106
Unassigned	2,295,875	-	-	2,295,875
Total fund balances	2,466,022	4,434,525	3,589,074	10,489,621
Total liabilities, deferred inflows of resources and fund balances	\$ 4,180,106	\$ 4,794,018	\$ 4,406,536	\$ 13,380,660

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

December 31, 2012

Total Governmental Fund Balances \$ 10,489,621

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 23,672,601

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

Delinquent property taxes	18,419	
Municipal income taxes	949,741	
Intergovernmental	364,622	
Total		1,332,782

An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position. 252,142

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (5,174)

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

General obligation bonds	(2,362,866)	
OPWC loans	(466,650)	
Capital Leases	(10,836)	
Compensated absences and severance	(521,472)	
Total		(3,361,824)

Net Position of Governmental Activities \$32,380,148

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, 2012

	General	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property and other taxes	\$ 823,293	\$ -	\$ 485,519	\$ 1,308,812
Municipal income taxes	3,122,063	997,849	-	4,119,912
Intergovernmental	835,194	43,913	713,276	1,592,383
Charges for services	107,121	-	264,549	371,670
Fees, licenses and permits	171,810	-	149,153	320,963
Fines and forfeitures	88,767	-	9,048	97,815
Investment earnings	48,838	-	793	49,631
Contributions and donations	3,250	-	15,265	18,515
Miscellaneous	72,804	-	36,305	109,109
	<u>5,273,140</u>	<u>1,041,762</u>	<u>1,673,908</u>	<u>7,988,810</u>
Total revenues				
Expenditures:				
Current:				
General government	911,160	-	64,681	975,841
Security of persons and property	3,410,361	-	84,563	3,494,924
Public health and welfare	55,576	-	111,279	166,855
Transportation	-	255,609	920,978	1,176,587
Community development	128,690	-	10,000	138,690
Leisure time activities	-	-	174,434	174,434
Capital outlay	126,378	408,094	365,813	900,285
Debt service:				
Principal retirement	2,044	85,481	244,827	332,352
Interest and fiscal charges	387	35,569	62,024	97,980
	<u>4,634,596</u>	<u>784,753</u>	<u>2,038,599</u>	<u>7,457,948</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>638,544</u>	<u>257,009</u>	<u>(364,691)</u>	<u>530,862</u>
Other financing sources (uses)				
Inception of Capital Lease	12,880	-	-	12,880
Transfers in	-	-	520,000	520,000
Transfers out	(510,000)	-	(10,000)	(520,000)
	<u>(497,120)</u>	<u>-</u>	<u>510,000</u>	<u>12,880</u>
Total other financing sources (uses)				
Net change in fund balances	141,424	257,009	145,309	543,742
Fund balances at beginning of year	<u>2,324,598</u>	<u>4,177,516</u>	<u>3,443,765</u>	<u>9,945,879</u>
Fund balances at end of year	<u>\$ 2,466,022</u>	<u>\$ 4,434,525</u>	<u>\$ 3,589,074</u>	<u>\$ 10,489,621</u>

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, 2012

Net Change in Fund Balance - Total Governmental Funds \$ 543,742

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

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

Capital asset additions	1,048,743	
Depreciation	(1,339,135)	
Total	(290,392)	(290,392)

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 loss
on the disposal of capital assets.

(9,507)

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

Delinquent property taxes	(2,650)	
Municipal income taxes	357,293	
Intergovernmental	(5,118)	
Total	349,525	349,525

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

330,308

Repayment of capital leases obligations are expenditures
in the governmental funds, but the repayment reduces liabilities in
the Statement of Net Position and does not result in an expense in the
Statement of Activities.

2,044

Proceeds from the inception of capital lease are recorded as other financing
sources in the governmental funds, but the proceeds are recorded as
a liability and therefore are not recorded in the statement of activities.

(12,880)

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

Compensated absences and severance	(14,766)	
Interest on bonds	666	
Accretion on general obligation bonds	(35,719)	
Total	(49,819)	(49,819)

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

4,206

Change in Net Position of Governmental Activities

\$867,227

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 840,000	\$ 840,000	\$ 832,166	\$ (7,834)
Municipal income taxes	2,555,000	2,555,000	2,703,504	148,504
Intergovernmental	442,400	442,400	787,756	345,356
Charges for services	85,600	85,600	107,121	21,521
Fines and forfeitures	50,000	50,000	53,028	3,028
Fees, licenses and permits	131,000	131,000	209,392	78,392
Contributions and donations	-	-	3,250	3,250
Interest	75,000	75,000	65,593	(9,407)
Miscellaneous	26,000	26,000	127,819	101,819
Total revenues	<u>4,205,000</u>	<u>4,205,000</u>	<u>4,889,629</u>	<u>684,629</u>
Expenditures:				
Current operations and maintenance:				
General government	916,316	916,316	775,643	140,673
Security of persons and property	3,523,881	3,523,881	3,418,692	105,189
Public health and welfare	62,100	62,100	55,576	6,524
Community development	204,160	204,160	116,996	87,164
Capital outlay	110,685	110,685	108,200	2,485
Total expenditures	<u>4,817,142</u>	<u>4,817,142</u>	<u>4,475,107</u>	<u>342,035</u>
Excess of revenues over (under) expenditures	<u>(612,142)</u>	<u>(612,142)</u>	<u>414,522</u>	<u>1,026,664</u>
Other financing sources (uses):				
Sale of capital assets	5,000	5,000	173	(4,827)
Transfers in	620,000	620,000	-	(620,000)
Transfers out	(684,000)	(684,000)	(123,704)	560,296
Total other financing sources (uses)	<u>(59,000)</u>	<u>(59,000)</u>	<u>(123,531)</u>	<u>(64,531)</u>
Net change in fund balance	(671,142)	(671,142)	290,991	962,133
Fund balance at beginning of year	724,879	724,879	724,879	-
Prior year encumbrances appropriated	93,737	93,737	93,737	-
Fund balance at end of year	<u>\$ 147,474</u>	<u>\$ 147,474</u>	<u>\$ 1,109,607</u>	<u>\$ 962,133</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2012

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 875,443	\$ 2,949,157	\$ 5,202,720	\$ 9,027,320	\$ 358,682
Restricted assets:					
Customer Deposits	64,076	28,908	155,724	248,708	-
Accounts receivable	629,018	610,914	2,205,798	3,445,730	-
Prepaid items	5,451	10,254	9,921	25,626	-
Materials and supplies inventory	35,217	151,204	137,703	324,124	-
Total current assets	1,609,205	3,750,437	7,711,866	13,071,508	358,682
Noncurrent assets:					
Investment in joint venture	-	-	976,397	976,397	-
Non-depreciable capital assets	45,000	13,121	7,000	65,121	-
Depreciable capital assets, net	4,069,712	13,130,247	3,326,974	20,526,933	-
Total Noncurrent Assets	4,114,712	13,143,368	4,310,371	21,568,451	-
Total assets	5,723,917	16,893,805	12,022,237	34,639,959	358,682
Liabilities:					
Current liabilities:					
Accounts payable	207,934	19,022	6,217	233,173	-
Claims payable	-	-	-	-	106,540
Accrued wages and benefits payable	10,635	14,828	14,755	40,218	-
Intergovernmental payable	10,486	20,729	19,169	50,384	-
Accrued interest payable	1,911	638	1,053	3,602	-
Compensated absences payable	476	1,851	2,752	5,079	-
Contracts payable	848	7,625	4,542	13,015	-
Severance payable	-	5,235	-	5,235	-
General obligation bonds payable	100,000	50,000	85,000	235,000	-
AMP-Ohio notes payable	-	-	160,000	160,000	-
OPWC loans payable	-	8,648	-	8,648	-
OWDA loans payable	-	390,208	-	390,208	-
Payable from restricted assets:					
Customer deposits	64,076	28,908	155,724	248,708	-
Total current liabilities	396,366	547,692	449,212	1,393,270	106,540
Long-term liabilities (net of current portion):					
Compensated absences payable	8,312	32,294	48,018	88,624	-
Severance payable	-	5,236	-	5,236	-
OWDA loans payable	-	5,367,582	-	5,367,582	-
General obligation bonds payable	960,000	280,000	460,000	1,700,000	-
AMP-Ohio notes payable	-	-	355,000	355,000	-
OPWC loans payable	-	52,948	-	52,948	-
Total long-term liabilities	968,312	5,738,060	863,018	7,569,390	-
Total liabilities	1,364,678	6,285,752	1,312,230	8,962,660	106,540
Net position:					
Net investment in capital assets	3,054,712	6,993,982	2,273,974	12,322,668	-
Unrestricted	1,304,527	3,614,071	8,436,033	13,354,631	252,142
Total net position	\$ 4,359,239	\$ 10,608,053	\$ 10,710,007	\$ 25,677,299	\$ 252,142

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

For the Year Ended December 31, 2012

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Operating revenues:					
Charges for services	\$ 2,758,514	\$ 2,624,620	\$ 10,372,560	\$ 15,755,694	\$ 1,031,581
Other	2,556	3,446	8,379	14,381	-
Total operating revenues	2,761,070	2,628,066	10,380,939	15,770,075	1,031,581
Operating expenses:					
Personal services	588,195	1,109,551	1,254,386	2,952,132	-
Materials and supplies	120,842	136,341	142,880	400,063	-
Contract services	1,941,899	385,061	8,424,262	10,751,222	-
Depreciation	164,699	580,486	131,740	876,925	-
Claims	-	-	-	-	1,027,375
Total operating expenses	2,815,635	2,211,439	9,953,268	14,980,342	1,027,375
Operating income (loss)	(54,565)	416,627	427,671	789,733	4,206
Non-operating revenues (expenses):					
Loss on investment in joint venture	-	-	(112,451)	(112,451)	-
Interest and fiscal charges	(49,096)	(246,313)	(52,772)	(348,181)	-
Total non-operating revenues (expenses)	(49,096)	(246,313)	(165,223)	(460,632)	-
Change in net position	(103,661)	170,314	262,448	329,101	4,206
Net position beginning of year - as restated, see note 20	4,462,900	10,437,739	10,447,559	25,348,198	247,936
Net position of year	\$ 4,359,239	\$ 10,608,053	\$ 10,710,007	\$ 25,677,299	\$ 252,142

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2012

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Increase (decrease) in cash and cash equivalents					
Cash flows from operating activities:					
Cash received from customers	\$ 2,684,639	\$ 2,616,246	\$ 10,701,024	\$ 16,001,909	\$ -
Customer deposits received	7,800	3,860	14,307	25,967	-
Cash received from transactions with other funds	-	-	-	-	1,031,581
Cash received from other operating sources	2,556	3,446	8,379	14,381	-
Cash payments to suppliers for goods and services	(2,028,442)	(541,667)	(8,536,156)	(11,106,265)	-
Cash payments for claims	-	-	-	-	(1,007,887)
Cash payments for employee services and benefits	(585,176)	(1,092,939)	(1,240,748)	(2,918,863)	-
Net cash provided by operating activities	<u>81,377</u>	<u>988,946</u>	<u>946,806</u>	<u>2,017,129</u>	<u>23,694</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(180,743)	(339,109)	-	(519,852)	-
Principal paid	(100,000)	(590,772)	(331,225)	(1,021,997)	-
Interest paid	(49,278)	(246,736)	(53,202)	(349,216)	-
Net cash used for capital and related financing activities	<u>(330,021)</u>	<u>(1,176,617)</u>	<u>(384,427)</u>	<u>(1,891,065)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(248,644)	(187,671)	562,379	126,064	23,694
Cash and cash equivalents, beginning of year	<u>1,188,163</u>	<u>3,165,736</u>	<u>4,796,065</u>	<u>9,149,964</u>	<u>334,988</u>
Cash and cash equivalents, end of year	<u>\$ 939,519</u>	<u>\$ 2,978,065</u>	<u>\$ 5,358,444</u>	<u>\$ 9,276,028</u>	<u>\$ 358,682</u>

(Continued)

City of Amherst, Ohio

Statement of Cash Flows (continued) Proprietary Funds

For the Year Ended December 31, 2012

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	\$ (54,565)	\$ 416,627	\$ 427,671	\$ 789,733	\$ 4,206
Adjustments:					
Depreciation	164,699	580,486	131,740	876,925	-
(Increase)/decrease in assets:					
Accounts receivable	(73,875)	(8,374)	328,464	246,215	-
Prepaid items	(1,652)	(1,892)	(2,567)	(6,111)	-
Materials and supplies inventory	(10,156)	(9,810)	45,826	25,860	-
Increase/(decrease) in liabilities:					
Accounts payable	55,837	(9,084)	(13,831)	32,922	-
Claims payable	-	-	-	-	19,488
Customer deposits held and due to others	(2,713)	(3,155)	11,376	5,508	-
Contracts payable	848	7,625	4,542	13,015	-
Severance payable	-	10,471	-	10,471	-
Accrued wages and benefits payable	4,458	3,255	4,163	11,876	-
Intergovernmental payable	(1,272)	(3,144)	(2,134)	(6,550)	-
Compensated absences payable	(232)	5,941	11,556	17,265	-
Net cash provided by operating activities	<u>\$ 81,377</u>	<u>\$ 988,946</u>	<u>\$ 946,806</u>	<u>\$ 2,017,129</u>	<u>\$ 23,694</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2012

	Private Purpose Trust <u>Cemetery</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	\$ 4,154	\$ 27,182
Liabilities:		
Deposits held and due to others		\$ 27,182
Total liabilities		\$ 27,182
Net position:		
Held in trust for cemetery	\$ 4,154	

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Changes in Fiduciary Net Position Fiduciary Fund

For the Year Ended December 31, 2012

	Private Purpose Trust <u>Cemetery</u>
Additions:	
Interest	<u>\$ 13</u>
Deductions:	
Payments in accordance with trust agreement	<u>100</u>
Change in net position	(87)
Net position beginning of year	<u>4,241</u>
Net position end of year	<u><u>\$ 4,154</u></u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 1: The Reporting Entity

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

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Amherst, this includes the departments that provide the following services: police and fire protection, the construction and maintenance of highways, streets and infrastructure, recreational activities, family and child health care, senior services, community planning, zoning and development, water, sewer, electric, and sanitation.

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

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

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of Amherst have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City follows GASB guidance as applicable to its governmental and business-type activities. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

The General Fund accounts for all financial resources not accounted for and reported in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Amherst and/or the general laws of Ohio.

Street Improvement Income Tax Capital Projects Fund

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

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

Proprietary Funds

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

Enterprise Funds

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

Water Fund

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

Sewer Fund

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

Electric Fund

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

Internal Service Funds

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

Fiduciary Funds

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

Fund Financial Statements

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

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

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

Deferred Outflows and Deferred Inflows of Resources

As more fully described in Note 16 to the basic financial statements, the City has implemented both GASB Statement No. 63 and GASB Statement No. 65, effective for fiscal year 2012. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The City did not have any deferred outflows as of December 31, 2012. The City also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the City these amounts consist of income taxes which are not collected in the available period, and intergovernmental receivables which are not collected in the available period. Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations, have also been recorded as deferred inflows of resources. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to income taxes and grants and entitlements not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position.

Expenses/Expenditures

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect when the final appropriations were passed by Council.

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

A budgetary schedule is reported but no annual budget was adopted for the Community Improvement Special Revenue Fund and the CDBG Improvements Capital Projects Fund.

F. Cash and Cash Equivalents

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

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

During 2012, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2012 amounted to \$48,838 and \$793 in nonmajor governmental funds.

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Restricted Assets

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

J. Capital Assets

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

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

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

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

K. Interfund Balances

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

L. Compensated Absences

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

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized as a liability on the fund financial statements when due.

N. Fund Balance Reserves

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

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the City Council. The City Auditor has the authority to record assigned amounts based upon policies established by City Council.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

N. Fund Balance Reserves (Continued)

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

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

O. Net Position

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred inflows/outflows related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include several grants and city planning.

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

Of the City's \$8,139,614 in restricted net assets, \$4,566,724 is restricted for enabling legislation.

P. Operating Revenues and Expenses

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

Q. Interfund Activity

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 2: Summary of Significant Accounting Policies (Continued)

R. Estimates

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

Note 3: Budgetary Basis of Accounting

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$ 141,424
Revenue Accruals	1,849,909
Expenditure Accruals	(1,590,076)
Prospective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(74,167)
Encumbrances	<u>(36,099)</u>
Budgetary Basis	<u>\$ 290,991</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 4: Deposits and Investments (Continued)

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

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

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

Undeposited Cash

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

Deposits

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

The City's bank balance of \$19,091,475 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

Investments

As of December 31, 2012, the City had the following investment and maturity:

	Carrying/Fair Value	Weighted Average Maturity (Years)
STAR Ohio	\$ 307,676	< 1 year
Total Investments	<u>\$ 307,676</u>	

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

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 4: Deposits and Investments (Continued)

The City's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code. The City limits its investments to STAR Ohio. 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 government's investment in a single user. The City's investment policy allows investments in those authorized under the Ohio Revised Code. The City has invested 100% in STAR Ohio.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the investment policy, all of the City's securities are either insured and registered in the name of the City or at least registered in the name of the City.

Note 5: Receivables

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property taxes, accrued interest, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

A. Property Tax

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of the 2011 taxes.

2012 real property taxes are levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

The full tax rate for all City operations for the year ended December 31, 2012, was \$5.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 316,640,580
Public Utility	1,735,160
Tangible Personal	37,060
	<u>\$ 318,412,800</u>

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 5: Receivables (Continued)

A. Property Tax (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the General, General Obligation Bond Retirement and the Fire Apparatus Levy Funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue, while the remainder of the receivable is unavailable.

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	\$ 91,211
Homestead and rollback	93,352
Liquor and beer permits	872
Estate Tax	31,434
Other	37,037
Motor Vehicle and Gas Excise Tax	263,155
Permissive Tax	4,673
	<u>\$ 521,734</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2012 consisted of the following:

Fund Type	Transfers In	Transfers Out
Major Fund:		
General	\$ -	\$ 510,000
Other Non-major Governmental Funds:		
General Obligation Bond Retirement	50,000	-
Park Trust	-	10,000
Park and Pool	10,000	-
Street Maintenance Repair	400,000	-
Office on Aging	60,000	-
Total Other Non-major Governmental Funds	<u>520,000</u>	<u>10,000</u>
Total All Funds	<u>\$ 520,000</u>	<u>\$ 520,000</u>

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

Note 7: Capital Assets

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,398,148	\$ -	\$ -	\$ 1,398,148
Total Capital assets, not being depreciated	<u>1,398,148</u>	<u>-</u>	<u>-</u>	<u>1,398,148</u>
Capital assets, being depreciated:				
Buildings	4,627,319	-	-	4,627,319
Improvements other than buildings	1,146,156	-	-	1,146,156
Machinery and equipment	3,064,310	109,434	(8,975)	3,164,769
Vehicles	2,697,881	132,980	(16,902)	2,813,959
Infrastructure:				
Roads	25,213,663	806,329	-	26,019,992
Total capital assets, being depreciated	<u>36,749,329</u>	<u>1,048,743</u>	<u>(25,877)</u>	<u>37,772,195</u>
Less accumulated depreciation:				
Buildings	(2,062,073)	(119,404)	-	(2,181,477)
Improvements other than buildings	(654,223)	(54,265)	-	(708,488)
Machinery and equipment	(2,078,810)	(132,288)	8,975	(2,202,123)
Vehicles	(1,894,703)	(231,607)	7,395	(2,118,915)
Infrastructure:				
Roads	(7,485,168)	(801,571)	-	(8,286,739)
Total accumulated depreciation	<u>(14,174,977)</u>	<u>(1,339,135)</u>	<u>16,370</u>	<u>(15,497,742)</u>
Total capital assets, being depreciated, net	<u>22,574,352</u>	<u>(290,392)</u>	<u>(9,507)</u>	<u>22,274,453</u>
Total governmental capital assets, net	<u>\$ 23,972,500</u>	<u>\$ (290,392)</u>	<u>\$ (9,507)</u>	<u>\$ 23,672,601</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 7: Capital Assets (Continued)

	Balance 12/31/2011*	Additions	Deletions	Balance 12/31/2012
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 65,121	\$ -	\$ -	\$ 65,121
Total capital assets, not being depreciated	<u>65,121</u>	<u>-</u>	<u>-</u>	<u>65,121</u>
Capital assets, being depreciated:				
Buildings	6,913,326	-	-	6,913,326
Improvements other than buildings	3,393,177	-	-	3,393,177
Machinery and equipment	8,420,671	43,786	-	8,464,457
Vehicles	548,056	284,215	-	832,271
Infrastructure:				
Water lines	4,194,095	137,358	-	4,331,453
Sewer lines	8,322,963	54,493	-	8,377,456
Electric lines	<u>2,456,705</u>	<u>-</u>	<u>-</u>	<u>2,456,705</u>
Total capital assets, being depreciated	<u>34,248,993</u>	<u>519,852</u>	<u>-</u>	<u>34,768,845</u>
Less accumulated depreciation:				
Buildings	(2,015,283)	(139,172)	-	(2,154,455)
Improvements other than buildings	(1,195,051)	(167,766)	-	(1,362,817)
Machinery and equipment	(3,697,607)	(272,239)	-	(3,969,846)
Vehicles	(505,528)	(41,755)	-	(547,283)
Infrastructure:				
Water lines	(1,936,018)	(63,345)	-	(1,999,363)
Sewer lines	(3,473,920)	(146,284)	-	(3,620,204)
Electric lines	<u>(541,580)</u>	<u>(46,364)</u>	<u>-</u>	<u>(587,944)</u>
Total accumulated depreciation	<u>(13,364,987)</u>	<u>(876,925)</u>	<u>-</u>	<u>(14,241,912)</u>
Total capital assets, being depreciated, net	<u>20,884,006</u>	<u>(357,073)</u>	<u>-</u>	<u>20,526,933</u>
Total business-type capital assets, net	<u>\$ 20,949,127</u>	<u>\$ (357,073)</u>	<u>\$ -</u>	<u>\$ 20,592,054</u>

* As restated, see Note 20 for additional information.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 7: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 167,091
Security of persons and property	278,342
Public health and welfare	3,693
Transportation	869,065
Leisure time activities	<u>20,944</u>
Total depreciation expense	<u>\$ 1,339,135</u>

Note 8: Pension Plans

A. Ohio Public Employees Retirement System

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional pension plan.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 8: Pension Plans (Continued)

A. Ohio Public Employees Retirement System (Continued)

The member contribution rates were 10.0% for 2012, 2011, and 2010, respectively for members in state and local classifications and 11.5% and 12.10%, 11.3% and 11.6%, and 10.5% and 11.1%, respectively for members in public safety and law enforcement for the City. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.0% and 12.6% respectively. The City was required to contribute 14.00%, of covered payroll for 2012, 2011, and 2010 respectively.

The City's contributions to OPERS for the years ending December 31, 2012, 2011, and 2010 were \$485,927, \$453,284, and \$454,740, respectively. The full amount has been contributed for 2011 and 2010. 92 percent has been contributed for 2012, with the remainder being presented as "intergovernmental payable" in the governmental funds and governmental activities.

B. Ohio Police and Fire Pension Fund

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

Police are required to contribute 10.0% of their annual covered salary and the City is required to contribute 19.5% for police. The City's contributions to OP&F for the years ended December 31, 2012, 2011, and 2010 were \$246,016, \$238,984, and \$260,003, respectively. The full amount has been contributed for 2011 and 2010. 74 percent has been contributed for 2012 with the remainder being presented as "intergovernmental payable" in the governmental funds and governmental activities.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System or the Ohio Police and Fire Pension Fund were covered by Social Security. As of December 31, 2012, the City's volunteer firefighters were covered by Social Security. The City's liability is 6.2 percent of wages paid.

Note 9: Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 9: Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll, and public safety and law enforcement employers contributed at an 18.1%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2012 and 2011, the portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar years 2012 and 2011. For 2010, the portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. Effective January 1, 2013, the portion of employer contributions was lowered to 1% for both plans, as recommended by the OPERS actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$138,829 for 2012, \$129,503 for 2011, and \$165,101 for 2010. The full amount has been contributed for 2011 and 2010. 92% has been contributed for 2012.
- D. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 9: Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website www.op-f.org.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, for 2012, 2011, and 2010, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For the years ended December 31, 2012, 2011, and 2010, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll or 34.62% of the total employer contributions. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's actual contributions for 2012 that were used to fund postemployment benefits were \$85,122 for Police. For 2011 and 2010, the contributions were \$82,689 and \$89,961, respectively. The full amount has been contributed for 2011 and 2010. 74% has been contributed for 2012.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 10: Employee Benefits

A. Compensated Absences

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

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

B. Severance

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

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 2012, the City contracted with a private insurance carrier for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property	Selective Insurance Co.	\$45,041,881
General liability	Selective Insurance Co.	\$1 million per occurrence
	Selective Insurance Co.	\$2 million general aggregate
Automobile fleet liability	Selective Insurance Co.	\$1 million per occurrence
Stop gap liability	Selective Insurance Co.	\$1 million per occurrence
Employee benefits liability	Selective Insurance Co.	\$1 million
Employment practices liability	Selective Insurance Co.	\$1 million annual aggregate
Public officials liability	Selective Insurance Co.	\$1 million/\$1 million
Umbrella liability	Selective Insurance Co.	\$10 million
Law Enforcement	Scottsdale Insurance	\$1 million

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

B. Workers' Compensation

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

11: Risk Management (Continued)

C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription and dental coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Employees who are members of the AFSCME union also receive vision coverage. Patrolmen were given vision coverage through AFSCME in addition to union members. All are subject to the deductible. The third party administrators review and pay all claims on behalf of the City. Covered employees are in a traditional medical plan with a \$200-per-year individual deductible and a \$400-per-year family deductible. The dental plan has a \$50-per-year individual deductible and a \$150-per-year family deductible. The City purchases a stop-loss insurance policy premium cost of \$383,042 in aggregate for all employees.

The claims liability of \$106,540 reported in the self-insurance fund at December 31, 2012, 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>
2010	\$ 120,931	\$ 810,117	\$ 842,023	\$ 89,025
2011	89,025	935,496	937,469	87,052
2012	87,052	1,027,375	1,007,887	106,540

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 12: Long-Term Obligations (Continued)

A schedule of changes in bonds and other long-term obligations of the City during 2012 follows:

	Amount Outstanding 12/31/2011	Additions	Reductions	Amount Outstanding 12/31/2012	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Police and Jail Facility	\$ 910,000	\$ -	\$ 170,000	\$ 740,000	\$ 48,547
Police and Jail Capital Appreciation	90,000	-	-	90,000	-
Capital Appreciation Accretion	157,147	35,719	-	192,866	126,453
Capital Purpose	250,000	-	30,000	220,000	35,000
Real Estate Acquisition Bonds	60,000	-	30,000	30,000	30,000
Various Purpose	1,155,000	-	65,000	1,090,000	65,000
Total General Obligation Bonds	<u>2,622,147</u>	<u>35,719</u>	<u>295,000</u>	<u>2,362,866</u>	<u>305,000</u>
OPWC loans	501,958	-	35,308	466,650	35,308
Capital Lease	-	12,880	2,044	10,836	2,518
Severance Liability	-	78,046	33,830	44,216	33,830
Compensated Absences	506,706	278,926	308,376	477,256	26,432
Total Governmental Activities	<u>\$ 3,630,811</u>	<u>\$ 405,571</u>	<u>\$ 674,558</u>	<u>\$ 3,361,824</u>	<u>\$ 403,088</u>
Business-Type Activities:					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 535,000	\$ -	\$ 65,000	\$ 470,000	\$ 65,000
Water Various Purpose Bonds	625,000	-	35,000	590,000	35,000
Sewer Refunding Bonds	155,726	-	155,726	-	-
Sewer Capital Purpose Bonds	380,000	-	50,000	330,000	50,000
Electric Refunding Bonds	94,270	-	94,270	-	-
Electric Capital Purpose Bonds	625,000	-	80,000	545,000	85,000
Total General Obligation Bonds	<u>2,414,996</u>	<u>-</u>	<u>479,996</u>	<u>1,935,000</u>	<u>235,000</u>
AMP-Ohio Electric Systems Improvement	672,000	-	157,000	515,000	160,000
OPWC loans	70,244	-	8,648	61,596	8,648
OWDA - WWTP Upgrade	6,134,135	-	376,345	5,757,790	390,208
Severance Liability	-	15,706	5,235	10,471	5,235
Compensated Absences	76,438	199,089	181,824	93,703	5,079
Total Business-Type Activities	<u>\$ 9,367,813</u>	<u>\$ 214,795</u>	<u>\$ 1,209,048</u>	<u>\$ 8,373,560</u>	<u>\$ 804,170</u>

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 12: Long-Term Obligations (Continued)

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$9,599,158 in OWDA loans issued in 2004. Proceeds from the loans provided financing for the construction of the wastewater treatment facilities upgrade. The loans are payable solely from sewer customer net revenues and are payable through 2024. Annual principal and interest payments on the loans are expected to require approximately 57 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,162,062. Principal and interest paid for the current year and total customer net revenues were \$596,838 and \$997,113, respectively.

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

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

The City's overall legal debt margin was \$30,796,694 at December 31, 2012. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2012 are as follows:

	Governmental Activities			Totals	
	General Obligation Bonds		OPWC	Principal	Interest
	Principal	Interest	Loans		
2013	\$ 305,000	\$ 212,943	\$ 35,308	\$ 340,308	\$ 212,943
2014	275,000	209,620	35,308	310,308	209,620
2015	280,000	76,680	35,308	315,308	76,680
2016	290,000	64,850	35,308	325,308	64,850
2017	305,000	52,609	35,308	340,308	52,609
2018-2022	670,000	124,731	164,955	834,955	124,731
2023-2027	300,000	24,915	121,940	421,940	24,915
2028	-	-	3,215	3,215	-
Totals	\$ 2,425,000	\$ 766,348	\$ 466,650	\$ 2,891,650	\$ 766,348

The above amortization schedule does not agree to the general obligation bonds payable amount on the previous page due to the fact that it includes the Capital Appreciation Bonds that will be due in 2013 and 2014 in the amount of \$255,000. Capital Appreciation Bonds were accreted in the amount of \$35,719 during 2012, for a total of \$192,866.

	Business-Type Activities						
	General Obligation Bonds		Notes		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2013	\$ 235,000	\$ 84,819	\$ 160,000	\$ 14,014	\$ 390,208	\$ 206,631	\$ 8,648
2014	245,000	74,407	160,000	11,954	404,580	192,258	8,648
2015	260,000	63,453	160,000	9,845	419,482	177,357	8,648
2016	270,000	51,842	35,000	17,288	434,933	161,905	8,648
2017	275,000	39,777	-	-	450,953	145,886	7,537
2018-2022	485,000	73,624	-	-	2,516,491	467,699	14,458
2023-2025	165,000	13,475	-	-	1,141,143	52,536	5,009
Totals	\$ 1,935,000	\$ 401,397	\$ 515,000	\$ 53,101	\$ 5,757,790	\$ 1,404,272	\$ 61,596

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 13: Jointly Governed Organization

Lorain County General Health District

The Lorain County General Health District provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Amherst and Oberlin, and one member is elected jointly by the Cities of Avon and Sheffield Lake. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$44,456 during 2012 for the operation of the Health District. Complete financial statements can be obtained from the Lorain County General Health District, 9880 South Murray Ridge Road, Elyria, Ohio 44035.

Note 14: Joint Ventures

Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)

The City is a participant with 35 other subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. 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 \$157,000 to the joint venture for 2012. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire capital assets for JV2. Under a financing agreement between many of the participants of JV2 and AMP-Ohio, these participants have agreed to pay the debt service requirements of the bonds. The City issued their own bonds to pay their share of the project costs. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2012, the City's liability on these bonds was \$515,000 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 \$976,397 at December 31, 2012. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

Note 15: Contingencies

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2012.

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, 2012.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 16: Changes in Accounting Principles

For 2012 the City implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The implementation of these GASB Statements had no impact on beginning of year fund balance/net position.

Note 17: Fund Balances

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

Fund Balances	General	Street Improvement Income Tax	All Other Governmental	Total Governmental Funds
Nonspendable				
Prepaid Items	\$43,412	\$0	\$14,868	\$58,280
Unclaimed Monies	174	0	0	174
Inventory	110,455	0	67,623	178,078
Total Nonspendable	154,041	0	82,491	236,532
Restricted for				
Street Improvement	0	4,434,525	872,525	5,307,050
Park and Pool	0	0	300,264	300,264
Other Purposes	0	0	152,205	152,205
Planning Commission	0	0	252,025	252,025
Cable Television	0	0	728,657	728,657
Debt Services Payments	0	0	416,255	416,255
Capital Improvements	0	0	734,652	734,652
Total Restricted	0	4,434,525	3,456,583	7,891,108
Committed to				
Other Purposes	0	0	50,000	50,000
Assigned to				
Other Purposes	16,106	0	0	16,106
Unassigned (Deficit)				
	2,295,875	0	0	2,295,875
Total Fund Balances	\$2,466,022	\$4,434,525	\$3,589,074	\$10,489,621

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 18: Contingent Liabilities

American Municipal Power Generating Station Project

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

History of the AMPGS Project

In November 2009, the participants of the AMP Generating Station Project (the "AMPGS Project") voted to terminate the development of the pulverized coal power plant in Meigs County, Ohio. The AMPGS Project was to be a 1,000 MW base load, clean-coal technology plant scheduled to go on-line in 2014. This pulverized coal plant was estimated to be a \$3 billion project, but the project's estimated capital costs increased by 37% and the engineer, procure and construct ("EPC") contractor could not guarantee that the costs would not continue to escalate. At the termination date, minimal construction had been performed on the AMPGS Project at the Meigs County site.

At the same time, the participants voted to pursue conversion of the project to a Natural Gas Combined Cycle Plant (the "NGCC Plant") to be developed under a lump-sum-turn-key fixed-price contract that would be open to interested AMP members. The NGCC Plant was planned to be developed on the Meigs County site previously planned for the AMPGS project. In February 2011, development of the NGCC Plant was suspended due to the availability of purchasing the AMP Fremont Energy Center ("AFEC") at a favorable price. AMP intends to develop this site for the construction of a generating asset; however, at December 31, 2012, the type of generating asset has not been determined.

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

As a result of these decisions to date, the AMPGS Project costs have been reclassified out of construction work-in-progress and into plant held for future use or regulatory assets in the combined balance sheet. AMP has reclassified \$34,881,075 of costs to plant held for future use as these costs were determined to be associated with the undeveloped Meigs County site regardless of the determination of which type of generating asset will be developed on the site. The remaining costs previously incurred were determined to be impaired but reclassified as a regulatory asset which is fully recoverable from the AMPGS Project participants as part of their unconditional obligation under the "take or pay" contract. At December 31, 2012 AMP has a regulatory asset of \$96,544,650 for the recovery of these abandoned construction costs. AMP is currently working with the AMPGS project participants to establish a formal plan for the recovery on a participant by participant basis.

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 18: Contingent Liabilities (Continued)

Based on an allocation to Amherst of 5,000 kW and the allocation methodology, both approved as the same by the AMP Board of Trustees, as of December 31, 2012 the City of Amherst has a potential stranded cost obligation of \$855,748 for the AMPGS Project. The City of Amherst does not have any payments on deposit with AMP at December 31, 2012.

AMP Fremont Energy Center (AFEC) Development Fee

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

Based on the allocation methodology approved by the AMP Board of Trustees as mentioned above, the City receives a credit of \$92,133 for being a participant in both projects. This credit is proportionate to its AFEC allocation kW share of 880 and the total kW share of those participating in both projects. The City has not recorded this credit in its financial statements as of December 31, 2012.

Recording of Stranded Costs

The City has not recorded stranded costs for the AMPGS Project. As previously mentioned, as of December 31, 2012, the City has an estimated maximum potential liability of \$855,748 with a minimum potential liability of zero. This dollar amount is subject to revision, pending the results of AMP's litigation with the EPC contractor.

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

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

Note 19: Capital Lease

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

The capital assets acquired by the leases have been capitalized in the statement of net position for governmental activities in the amount of \$12,880 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2012 totaled \$2,044 in the governmental funds.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

Note 19: Capital Lease (Continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2012.

<u>Year Ending December 31,</u>	<u>Capitalized Lease Obligation</u>
2013	\$ 2,856
2014	2,856
2015	2,856
2016	2,612
2017	<u>463</u>
Total Minimum Lease Payments	11,643
Less: Amount Representing Interest	<u>(807)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 10,836</u></u>

Note 20: Restatement of Balances

During the current year the capital asset balances within the business-type activities were restated to properly reflect the amounts on the City's most current appraisal report. These restatements had the following effect on net position:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Total Business-type Activities</u>
Net Position December 31, 2011	\$ 4,435,095	\$ 11,424,853	\$ 10,144,563	\$ 26,004,511
Restatement Amount	<u>27,805</u>	<u>(987,114)</u>	<u>302,996</u>	<u>(656,313)</u>
Net Position January 1, 2012	<u><u>\$ 4,462,900</u></u>	<u><u>\$ 10,437,739</u></u>	<u><u>\$ 10,447,559</u></u>	<u><u>\$ 25,348,198</u></u>

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**Combining Statements and
Individual Fund Schedules**

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Street Maintenance Repair Fund

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

State Highway Fund

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

Street Maintenance and Repair Permissive Fund

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

Park and Pool Fund

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

Office on Aging Fund

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

Planning Commission Fund

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

Park Trust Fund

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

Assistance to Firefighters Fund

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

Cable Television Fund

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

CPT Grant Fund

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

Law Enforcement Fund

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

(Continued)

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

Drug Law Enforcement Fund

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

DUI Enforcement Fund

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

Bullet Proof Vest Fund

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

Housing Program Fund

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

Community Improvement Fund

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

Nonmajor Debt Service Fund

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

General Obligation Bond Retirement Fund

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

Nonmajor Capital Projects Funds

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

Fire Apparatus Levy Fund

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

CDBG Improvements Fund

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

Permanent Improvement Fund

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

City Hall Auditorium Fund

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

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Funds Reported Separately for Budgetary Purposes

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

Municipal Income Tax Fund

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

Downtown Director Fund

To account for Federal monies designated for downtown restoration.

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 2,379,552	\$ 416,255	\$ 739,272	\$ 3,535,079
Materials and supplies inventory	67,623	-	-	67,623
Accounts receivable	25,654	-	-	25,654
Intergovernmental receivable	304,865	14,273	17,911	337,049
Prepaid items	14,868	-	-	14,868
Property taxes receivable	2,976	247,761	175,526	426,263
Total assets	\$ 2,795,538	\$ 678,289	\$ 932,709	\$ 4,406,536
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 27,624	\$ -	4,620	\$ 32,244
Contracts payable	80,649	-	-	80,649
Accrued wages and benefits payable	11,827	-	-	11,827
Intergovernmental payable	17,387	-	-	17,387
Total liabilities	137,487	-	4,620	142,107
Deferred inflows of resources:				
Property taxes not levied to finance current year operations	-	247,761	175,526	423,287
Unavailable revenue	219,884	14,273	17,911	252,068
Total deferred inflows of resources	219,884	262,034	193,437	675,355
Fund balances:				
Nonspendable	82,491	-	-	82,491
Restricted	2,305,676	416,255	734,652	3,456,583
Committed	50,000	-	-	50,000
Total fund balances	2,438,167	416,255	734,652	3,589,074
Total liabilities, deferred inflows of resources and fund balances	\$ 2,795,538	\$ 678,289	\$ 932,709	\$ 4,406,536

City of Amherst, Ohio

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

For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 48,618	\$ 196,859	\$ 240,042	\$ 485,519
Intergovernmental	649,094	28,463	35,719	713,276
Charges for services	264,549	-	-	264,549
Fees, licenses and permits	149,153	-	-	149,153
Fines and forfeitures	9,048	-	-	9,048
Investment earnings	127	-	666	793
Contributions and donations	15,265	-	-	15,265
Miscellaneous	35,355	-	950	36,305
Total revenues	1,171,209	225,322	277,377	1,673,908
Expenditures:				
Current:				
General government	58,630	6,051	-	64,681
Security of persons and property	3,906	-	80,657	84,563
Public health and welfare	111,279	-	-	111,279
Transportation	920,978	-	-	920,978
Community development	10,000	-	-	10,000
Leisure time activities	174,434	-	-	174,434
Capital outlay	266,277	-	99,536	365,813
Debt service:				
Principal retirement	14,827	230,000	-	244,827
Interest and fiscal charges	10,511	51,513	-	62,024
Total expenditures	1,570,842	287,564	180,193	2,038,599
Excess of revenues over (under) expenditures	(399,633)	(62,242)	97,184	(364,691)
Other financing sources (uses):				
Transfers in	470,000	50,000	-	520,000
Transfers out	(10,000)	-	-	(10,000)
Total other financing sources (uses)	460,000	50,000	-	510,000
Net change in fund balances	60,367	(12,242)	97,184	145,309
Fund balances at beginning of year	2,377,800	428,497	637,468	3,443,765
Fund balances at end of year	\$ 2,438,167	\$ 416,255	\$ 734,652	\$ 3,589,074

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2012

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool
Assets:				
Equity in pooled cash and investments	\$ 532,403	\$ 49,537	\$ 289,260	\$ 69,557
Materials and supplies inventory	67,623	-	-	-
Accounts receivable	2,761	-	-	20,265
Property and other local taxes receivable	-	-	-	2,976
Intergovernmental receivable	243,418	19,737	4,673	-
Prepaid items	11,352	-	-	2,244
Total assets	\$ 857,557	\$ 69,274	\$ 293,933	\$ 95,042
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 25,082	\$ 203	\$ -	\$ 471
Accrued wages and benefits payable	10,901	-	-	656
Contracts payable	-	-	928	-
Intergovernmental payable	12,266	-	-	2,653
Total liabilities	48,249	203	928	3,780
Deferred inflows of resources:				
Unavailable revenue	203,392	16,492	-	-
Total deferred inflows of resources	203,392	16,492	-	-
Fund balances:				
Nonspendable	78,975	-	-	2,244
Restricted	526,941	52,579	293,005	89,018
Committed	-	-	-	-
Total fund balances	605,916	52,579	293,005	91,262
Total liabilities, deferred inflows of resources and fund balances	\$ 857,557	\$ 69,274	\$ 293,933	\$ 95,042

Office on Aging	Planning Commission	Park Trust	Assistance to Firefighters	Cable Television
\$ 34,180	\$ 252,025	\$ 212,064	\$ 29,664	\$ 771,341
-	-	-	-	-
1,510	-	-	-	-
-	-	-	-	-
-	-	-	-	37,037
773	-	-	-	499
<u>\$ 36,463</u>	<u>\$ 252,025</u>	<u>\$ 212,064</u>	<u>\$ 29,664</u>	<u>\$ 808,877</u>
\$ 1,868	\$ -	\$ -	\$ -	\$ -
270	-	-	-	-
-	-	-	-	79,721
1,650	-	818	-	-
<u>3,788</u>	<u>-</u>	<u>818</u>	<u>-</u>	<u>79,721</u>
-	-	-	-	-
-	-	-	-	-
773	-	-	-	499
31,902	252,025	211,246	29,664	728,657
-	-	-	-	-
<u>32,675</u>	<u>252,025</u>	<u>211,246</u>	<u>29,664</u>	<u>729,156</u>
<u>\$ 36,463</u>	<u>\$ 252,025</u>	<u>\$ 212,064</u>	<u>\$ 29,664</u>	<u>\$ 808,877</u>

(Continued)

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued)

December 31, 2012

	CPT Grant	Law Enforcement	Drug Law Enforcement
Assets:			
Equity in pooled cash and investments	\$ 3,545	\$ 39,483	\$ 7,158
Material and supplies inventory	-	-	-
Accounts receivable	-	-	1,013
Property and other local taxes receivable	-	-	-
Intergovernmental receivable	-	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 3,545</u>	<u>\$ 39,483</u>	<u>\$ 8,171</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-
Contracts payable	-	-	-
Intergovernmental payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	3,545	39,483	8,171
Committed	-	-	-
Total fund balances	<u>3,545</u>	<u>39,483</u>	<u>8,171</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,545</u>	<u>\$ 39,483</u>	<u>\$ 8,171</u>

<u>DUI Enforcement</u>	<u>Bullet Proof Vest</u>	<u>Housing Program</u>	<u>Community Improvement</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 4,347	\$ 1,901	\$ 33,087	\$ 50,000	\$ 2,379,552
-	-	-	-	67,623
105	-	-	-	25,654
-	-	-	-	2,976
-	-	-	-	304,865
-	-	-	-	14,868
<u>\$ 4,452</u>	<u>\$ 1,901</u>	<u>\$ 33,087</u>	<u>\$ 50,000</u>	<u>2,795,538</u>
\$ -	\$ -	\$ -	\$ -	\$ 27,624
-	-	-	-	11,827
-	-	-	-	80,649
-	-	-	-	17,387
-	-	-	-	137,487
-	-	-	-	219,884
-	-	-	-	219,884
-	-	-	-	82,491
4,452	1,901	33,087	-	2,305,676
-	-	-	50,000	50,000
<u>4,452</u>	<u>1,901</u>	<u>33,087</u>	<u>50,000</u>	<u>2,438,167</u>
<u>\$ 4,452</u>	<u>\$ 1,901</u>	<u>\$ 33,087</u>	<u>\$ 50,000</u>	<u>\$ 2,795,538</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, 2012

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool
Revenues:				
Intergovernmental	\$ 486,596	\$ 39,453	\$ 61,812	\$ -
Charges for services	-	-	-	89,625
Fees, licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Property and other taxes	-	-	-	48,618
Contributions and donations	-	-	-	-
Miscellaneous	4,823	-	-	21,628
Total revenues	491,419	39,453	61,812	159,871
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	-	-	-
Transportation	858,419	22,817	39,742	-
Community development	-	-	-	-
Leisure time activities	-	-	-	166,453
Capital outlay	63,208	-	928	-
Debt Service:				
Principal retirement	-	-	14,827	-
Interest and fiscal charges	-	-	10,511	-
Total expenditures	921,627	22,817	66,008	166,453
Excess of revenues over (under) expenditures	(430,208)	16,636	(4,196)	(6,582)
Other financing sources (uses):				
Transfers in	400,000	-	-	10,000
Transfers out	-	-	-	-
Total other financing sources (uses)	400,000	-	-	10,000
Net change in fund balances	(30,208)	16,636	(4,196)	3,418
Fund balances at beginning of year	636,124	35,943	297,201	87,844
Fund balances at end of year	<u>\$ 605,916</u>	<u>\$ 52,579</u>	<u>\$ 293,005</u>	<u>\$ 91,262</u>

Office on Aging	Planning Commission	Park Trust	Assistance to Firefighters	Cable Television
\$ -	\$ -	\$ 27,110	\$ 33,175	\$ -
36,506	47,300	32,598	-	8,520
-	-	-	-	149,153
-	-	-	-	-
16	-	-	-	-
-	-	-	-	-
-	-	15,265	-	-
1,610	-	-	-	5,198
<u>38,132</u>	<u>47,300</u>	<u>74,973</u>	<u>33,175</u>	<u>162,871</u>
-	-	-	-	58,630
-	-	-	3,906	-
111,279	-	-	-	-
-	-	-	-	-
-	10,000	-	-	-
-	-	7,981	-	-
-	40,791	34,995	-	125,440
-	-	-	-	-
-	-	-	-	-
<u>111,279</u>	<u>50,791</u>	<u>42,976</u>	<u>3,906</u>	<u>184,070</u>
<u>(73,147)</u>	<u>(3,491)</u>	<u>31,997</u>	<u>29,269</u>	<u>(21,199)</u>
60,000	-	-	-	-
-	-	(10,000)	-	-
<u>60,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
(13,147)	(3,491)	21,997	29,269	(21,199)
<u>45,822</u>	<u>255,516</u>	<u>189,249</u>	<u>395</u>	<u>750,355</u>
<u>\$ 32,675</u>	<u>\$ 252,025</u>	<u>\$ 211,246</u>	<u>\$ 29,664</u>	<u>\$ 729,156</u>

(Continued)

City of Amherst, Ohio

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

For the Year Ended December 31, 2012

	CPT Grant	Law Enforcement	Drug Law Enforcement
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fees, licenses and permits	-	-	-
Fines and forfeitures	-	-	6,913
Investment earnings	-	-	-
Property and other taxes	-	-	-
Contributions and donations	-	-	-
Miscellaneous	-	2,096	-
Total revenues	<u>-</u>	<u>2,096</u>	<u>6,913</u>
Expenditures:			
Current:			
General government	-	-	-
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	-	-
Community development	-	-	-
Leisure time activities	-	-	-
Capital outlay	-	590	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>590</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,506</u>	<u>6,913</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1,506	6,913
Fund balances at beginning of year	<u>3,545</u>	<u>37,977</u>	<u>1,258</u>
Fund balances at end of year	<u>\$ 3,545</u>	<u>\$ 39,483</u>	<u>\$ 8,171</u>

DUI Enforcement	Bullet Proof Vest	Housing Program	Community Improvement	Total Nonmajor Special Revenue Funds
\$ -	\$ 948	\$ -	\$ -	\$ 649,094
-	-	-	50,000	264,549
-	-	-	-	149,153
2,135	-	-	-	9,048
-	-	111	-	127
-	-	-	-	48,618
-	-	-	-	15,265
-	-	-	-	35,355
<u>2,135</u>	<u>948</u>	<u>111</u>	<u>50,000</u>	<u>1,171,209</u>
-	-	-	-	58,630
-	-	-	-	3,906
-	-	-	-	111,279
-	-	-	-	920,978
-	-	-	-	10,000
-	-	-	-	174,434
325	-	-	-	266,277
-	-	-	-	14,827
-	-	-	-	10,511
<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,570,842</u>
<u>1,810</u>	<u>948</u>	<u>111</u>	<u>50,000</u>	<u>(399,633)</u>
-	-	-	-	470,000
-	-	-	-	(10,000)
-	-	-	-	460,000
1,810	948	111	50,000	60,367
<u>2,642</u>	<u>953</u>	<u>32,976</u>	<u>-</u>	<u>2,377,800</u>
<u>\$ 4,452</u>	<u>\$ 1,901</u>	<u>\$ 33,087</u>	<u>\$ 50,000</u>	<u>\$ 2,438,167</u>

City of Amherst, Ohio

Combining Balance Sheet
Nonmajor Capital Projects Funds

December 31, 2012

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
Assets:			
Equity in pooled cash and investments	\$ 537,040	\$ 1,385	\$ 178
Intergovernmental receivable	17,911	-	-
Property taxes receivable	175,526	-	-
Total assets	<u>\$ 730,477</u>	<u>\$ 1,385</u>	<u>\$ 178</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ 4,620	\$ -	\$ -
Total liabilities	<u>4,620</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Property taxes not levied to finance current year operations	175,526	-	-
Unavailable revenue	17,911	-	-
Total deferred inflows of resources	<u>193,437</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	<u>532,420</u>	<u>1,385</u>	<u>178</u>
Total fund balances	<u>532,420</u>	<u>1,385</u>	<u>178</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 730,477</u>	<u>\$ 1,385</u>	<u>\$ 178</u>

City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ 200,669	\$ 739,272
-	17,911
-	175,526
<u>\$ 200,669</u>	<u>\$ 932,709</u>
<u>\$ -</u>	<u>\$ 4,620</u>
-	4,620
-	175,526
-	17,911
-	193,437
<u>200,669</u>	<u>734,652</u>
<u>200,669</u>	<u>734,652</u>
<u>\$ 200,669</u>	<u>\$ 932,709</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, 2012

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
Revenues:			
Property and other taxes	\$ 240,042	\$ -	\$ -
Intergovernmental	35,719	-	-
Investment earnings	-	-	-
Miscellaneous	950	-	-
Total revenues	<u>276,711</u>	<u>-</u>	<u>-</u>
Expenditures:			
Security of persons and property	80,657	-	-
Capital outlay	99,536	-	-
Total expenditures	<u>180,193</u>	<u>-</u>	<u>-</u>
Net change in fund balances	96,518	-	-
Fund balances at beginning of year	<u>435,902</u>	<u>1,385</u>	<u>178</u>
Fund balances at end of year	<u>\$ 532,420</u>	<u>\$ 1,385</u>	<u>\$ 178</u>

City Hall Auditorium	Total Nonmajor Capital Projects Funds
\$ -	\$ 240,042
-	35,719
666	666
-	950
<u>666</u>	<u>277,377</u>
-	80,657
-	<u>99,536</u>
-	<u>180,193</u>
666	97,184
<u>200,003</u>	<u>637,468</u>
<u>\$ 200,669</u>	<u>\$ 734,652</u>

City of Amherst, Ohio

Combining Statements Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Cemetery Trust Fund

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

Agency Funds

Street Openings Fund

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

Building Standards Assessment Fund

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

Developer's Deposits and Fees Fund

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

City of Amherst, Ohio

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2012

	<u>Street Openings</u>	<u>Building Standards Assessment</u>	<u>Developer's Deposits and Fees</u>	<u>Total</u>
Assets:				
Equity in pooled cash and investments	\$ 12,322	\$ 3,388	\$ 11,472	\$ 27,182
Total Assets	<u>\$ 12,322</u>	<u>\$ 3,388</u>	<u>\$ 11,472</u>	<u>\$ 27,182</u>
Liabilities:				
Deposits held and due to others	\$ 12,322	\$ 3,388	\$ 11,472	\$ 27,182
Total Liabilities	<u>\$ 12,322</u>	<u>\$ 3,388</u>	<u>\$ 11,472</u>	<u>\$ 27,182</u>

City of Amherst, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended December 31, 2012

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
Street Openings				
Assets:				
Equity in pooled cash and investments	\$ 12,322	\$ -	\$ -	\$ 12,322
Liabilities:				
Deposits held and due to others	\$ 12,322	\$ -	\$ -	\$ 12,322
Total liabilities	\$ 12,322	\$ -	\$ -	\$ 12,322
Building Standards Assessment				
Assets:				
Equity in pooled cash and investments	\$ 3,088	\$ 2,425	\$ 2,125	\$ 3,388
Liabilities:				
Deposits held and due to others	\$ 3,088	\$ 2,425	\$ 2,125	\$ 3,388
Developer's Deposits and Fees				
Assets:				
Equity in pooled cash and investments	\$ 9,475	\$ 22,300	\$ 20,303	\$ 11,472
Liabilities:				
Deposits held and due to others	\$ 9,475	\$ 22,300	\$ 20,303	\$ 11,472
Totals - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 24,885	\$ 24,725	\$ 22,428	\$ 27,182
Total assets	\$ 24,885	\$ 24,725	\$ 22,428	\$ 27,182
Liabilities:				
Deposits held and due to others	\$ 24,885	\$ 24,725	\$ 22,428	\$ 27,182
Total liabilities	\$ 24,885	\$ 24,725	\$ 22,428	\$ 27,182

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

City of Amherst, Ohio

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

General Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 840,000	\$ 840,000	\$ 832,166	\$ (7,834)
Income taxes	2,555,000	2,555,000	2,703,504	148,504
Intergovernmental	442,400	442,400	787,756	345,356
Charges for services	85,600	85,600	107,121	21,521
Fines and forfeitures	50,000	50,000	53,028	3,028
Fees, licenses and permits	131,000	131,000	209,392	78,392
Contributions and donations	-	-	3,250	3,250
Interest	75,000	75,000	65,593	(9,407)
Miscellaneous	26,000	26,000	127,819	101,819
Total revenues	<u>4,205,000</u>	<u>4,205,000</u>	<u>4,889,629</u>	<u>684,629</u>
Expenditures:				
Current operations and maintenance:				
General Government:				
Mayor's office				
Salaries and wages	98,000	98,000	97,087	913
Fringe benefits	18,200	18,200	17,264	936
Materials and supplies	3,000	3,000	1,122	1,878
Contractual services	8,500	8,500	5,072	3,428
Total mayor's office	<u>127,700</u>	<u>127,700</u>	<u>120,545</u>	<u>7,155</u>
Safety service - director				
Salaries and wages	17,000	17,000	17,000	-
Fringe benefits	3,600	3,600	3,041	559
Materials and supplies	2,200	2,200	1,126	1,074
Contractual services	50,356	50,356	17,274	33,082
Total safety services	<u>73,156</u>	<u>73,156</u>	<u>38,441</u>	<u>34,715</u>
City council				
Salaries and wages	72,500	72,500	72,148	352
Fringe benefits	14,100	14,100	12,569	1,531
Materials and supplies	2,620	2,620	1,620	1,000
Contractual services	26,166	26,166	16,094	10,072
Total city council	<u>115,386</u>	<u>115,386</u>	<u>102,431</u>	<u>12,955</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Auditor				
Salaries and wages	98,500	98,500	87,817	10,683
Fringe benefits	31,850	31,850	27,649	4,201
Materials and supplies	7,787	7,787	5,634	2,153
Contractual services	58,979	58,979	48,612	10,367
Capital outlay	2,000	2,000	-	2,000
Total auditor	199,116	199,116	169,712	29,404
Treasurer				
Salaries and wages	67,300	67,300	63,272	4,028
Fringe benefits	12,300	12,300	10,423	1,877
Materials and supplies	6,119	6,119	2,508	3,611
Contractual services	10,912	10,912	5,903	5,009
Total treasurer	96,631	96,631	82,106	14,525
Law Director				
Salaries and wages	146,500	146,500	142,767	3,733
Fringe benefits	26,273	26,273	25,303	970
Contractual services	32,000	32,000	28,581	3,419
Total law director	204,773	204,773	196,651	8,122
City hall				
Materials and supplies	4,500	4,500	2,108	2,392
Contractual services	15,000	15,000	11,266	3,734
Total city hall	19,500	19,500	13,374	6,126
Civil service commission				
Salaries and wages	2,300	2,300	2,232	68
Fringe benefits	600	600	399	201
Materials and supplies	250	250	29	221
Contractual services	8,250	8,250	7,049	1,201
Total civil service commission	11,400	11,400	9,709	1,691

(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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous				
Contractual services	70,654	70,654	42,674	27,980
Total miscellaneous	<u>70,654</u>	<u>70,654</u>	<u>42,674</u>	<u>27,980</u>
Total general government	<u>918,316</u>	<u>918,316</u>	<u>775,643</u>	<u>142,673</u>
Security of persons and property:				
Police department				
Salaries and wages	1,865,500	1,865,500	1,839,165	26,335
Fringe benefits	798,700	798,700	775,081	23,619
Materials and supplies	132,974	132,974	126,301	6,673
Contractual services	205,818	205,818	177,636	28,182
Capital outlay	108,685	108,685	108,200	485
Total police department	<u>3,111,677</u>	<u>3,111,677</u>	<u>3,026,383</u>	<u>85,294</u>
Fire department				
Salaries and wages	376,000	376,000	367,896	8,104
Fringe benefits	71,800	71,800	67,136	4,664
Materials and supplies	19,591	19,591	17,212	2,379
Contractual services	53,498	53,498	48,265	5,233
Total fire department	<u>520,889</u>	<u>520,889</u>	<u>500,509</u>	<u>20,380</u>
Total security of persons and property	<u>3,632,566</u>	<u>3,632,566</u>	<u>3,526,892</u>	<u>105,674</u>
Public health and welfare				
Cemetery				
Contractual services	16,100	16,100	11,120	4,980
Total cemetery	<u>16,100</u>	<u>16,100</u>	<u>11,120</u>	<u>4,980</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County health district				
Contractual services	46,000	46,000	44,456	1,544
Total county health district	<u>46,000</u>	<u>46,000</u>	<u>44,456</u>	<u>1,544</u>
Total public health and welfare	<u>62,100</u>	<u>62,100</u>	<u>55,576</u>	<u>6,524</u>
Community development				
Building inspector				
Salaries and wages	117,500	117,500	63,392	54,108
Fringe benefits	40,925	40,925	25,039	15,886
Materials and supplies	4,384	4,384	2,927	1,457
Contractual services	37,210	37,210	23,658	13,552
Total building inspector	<u>200,019</u>	<u>200,019</u>	<u>115,016</u>	<u>85,003</u>
Planning commission				
Materials and supplies	400	400	196	204
Contractual services	250	250	250	-
Total planning commission	<u>650</u>	<u>650</u>	<u>446</u>	<u>204</u>
Board of zoning appeals				
Materials and supplies	300	300	295	5
Contractual services	3,191	3,191	1,239	1,952
Total board of zoning appeals	<u>3,491</u>	<u>3,491</u>	<u>1,534</u>	<u>1,957</u>
Total community development	<u>204,160</u>	<u>204,160</u>	<u>116,996</u>	<u>87,164</u>
Total expenditures	<u>4,817,142</u>	<u>4,817,142</u>	<u>4,475,107</u>	<u>342,035</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess of revenues over (under) expenditures	<u>(612,142)</u>	<u>(612,142)</u>	<u>414,522</u>	<u>1,026,664</u>
Other financing sources (uses):				
Sale of capital assets	5,000	5,000	173	(4,827)
Transfers in	620,000	620,000	-	(620,000)
Transfers out	<u>(684,000)</u>	<u>(684,000)</u>	<u>(123,704)</u>	<u>560,296</u>
Total other financing sources (uses)	<u>(59,000)</u>	<u>(59,000)</u>	<u>(123,531)</u>	<u>(64,531)</u>
Net change in fund balance	(671,142)	(671,142)	290,991	962,133
Fund balance at beginning of year	724,879	724,879	724,879	-
Prior year encumbrances appropriated	<u>93,737</u>	<u>93,737</u>	<u>93,737</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 147,474</u></u>	<u><u>\$ 147,474</u></u>	<u><u>\$ 1,109,607</u></u>	<u><u>\$ 962,133</u></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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 975,000	\$ 975,000	\$ 1,093,571	\$ 118,571
Intergovernmental	-	-	43,913	43,913
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,137,484</u>	<u>162,484</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	301,535	301,535	269,511	32,024
Capital outlay	2,756,242	2,756,242	2,426,458	329,784
Refunds and reimbursement	35,000	35,000	13,704	21,296
Debt service:				
Principal retirement	85,000	90,000	85,481	4,519
Interest and fiscal charges	45,000	40,000	35,569	4,431
Total expenditures	<u>3,222,777</u>	<u>3,222,777</u>	<u>2,830,723</u>	<u>392,054</u>
Excess of revenues under expenditures	(2,247,777)	(2,247,777)	(1,693,239)	554,538
Other financing uses:				
Transfers out	(250,000)	(250,000)	-	250,000
Advances out	(125,000)	(125,000)	-	125,000
Total other financing uses	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>375,000</u>
Net change in fund balance	(2,622,777)	(2,622,777)	(1,693,239)	929,538
Fund balance at beginning of year	3,736,595	3,736,595	3,736,595	-
Prior year encumbrances appropriated	<u>573,277</u>	<u>573,277</u>	<u>573,277</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,687,095</u>	<u>\$ 1,687,095</u>	<u>\$ 2,616,633</u>	<u>\$ 929,538</u>

City of Amherst, Ohio

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

Water Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,051,200	\$ 2,051,200	\$ 2,692,439	\$ 641,239
Miscellaneous	-	-	2,556	2,556
Total revenues	<u>2,051,200</u>	<u>2,051,200</u>	<u>2,694,995</u>	<u>643,795</u>
Expenses:				
Water operations:				
Salaries and wages	472,695	472,695	444,722	27,973
Fringe benefits	148,500	148,500	140,454	8,046
Contractual services	1,830,960	1,955,960	1,849,331	106,629
Materials and supplies	159,358	159,358	149,789	9,569
Refunds and reimbursements	10,000	10,000	7,800	2,200
Capital outlay	314,574	314,574	286,345	28,229
Debt service:				
Principal retirement	105,000	105,000	105,000	-
Interest and fiscal charges	55,000	55,000	55,000	-
Total expenses	<u>3,096,087</u>	<u>3,221,087</u>	<u>3,038,441</u>	<u>182,646</u>
Net change in net position	(1,044,887)	(1,169,887)	(343,446)	826,441
Net position at beginning of year	1,304,300	1,304,300	1,304,300	-
Prior year encumbrances appropriated	<u>59,887</u>	<u>59,887</u>	<u>59,887</u>	<u>-</u>
Net position at end of year	<u>\$ 319,300</u>	<u>\$ 194,300</u>	<u>\$ 1,020,741</u>	<u>\$ 826,441</u>

City of Amherst, Ohio

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

Sewer Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 2,405,000	\$ 2,405,000	\$ 2,620,106	\$ 215,106
Miscellaneous	-	-	3,446	3,446
Total revenues	<u>2,405,000</u>	<u>2,405,000</u>	<u>2,623,552</u>	<u>218,552</u>
Expenses:				
Sewer operations:				
Salaries and wages	879,025	879,025	848,871	30,154
Fringe benefits	259,500	259,500	252,538	6,962
Contractual services	491,198	491,198	381,529	109,669
Materials and supplies	338,746	338,746	178,288	160,458
Refunds and reimbursements	20,500	20,500	18,801	1,699
Capital outlay	1,396,576	1,396,576	1,034,146	362,430
Debt service:				
Principal retirement	597,000	597,000	591,332	5,668
Interest and fiscal charges	255,000	255,000	246,736	8,264
Total expenses	<u>4,237,545</u>	<u>4,237,545</u>	<u>3,552,241</u>	<u>685,304</u>
Net change in net position	(1,832,545)	(1,832,545)	(928,689)	903,856
Net position at beginning of year	2,368,067	2,368,067	2,368,067	-
Prior year encumbrances appropriated	<u>765,733</u>	<u>765,733</u>	<u>765,733</u>	<u>-</u>
Net position at end of year	<u>\$ 1,301,255</u>	<u>\$ 1,301,255</u>	<u>\$ 2,205,111</u>	<u>\$ 903,856</u>

City of Amherst, Ohio

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

Electric Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 9,403,800	\$ 9,403,800	\$ 10,715,331	\$ 1,311,531
Miscellaneous	-	-	8,379	8,379
Total revenues	<u>9,403,800</u>	<u>9,403,800</u>	<u>10,723,710</u>	<u>1,319,910</u>
Expenses:				
Electric operations:				
Salaries and wages	1,121,780	1,121,780	1,049,317	72,463
Fringe benefits	203,714	203,714	191,431	12,283
Contractual services	8,978,372	8,978,065	8,427,415	550,650
Materials and supplies	153,439	153,439	121,944	31,495
Refunds and reimbursements	14,000	14,307	14,307	-
Capital outlay	525,000	525,000	159,300	365,700
Debt service:				
Principal retirement	345,000	345,000	342,000	3,000
Interest and fiscal charges	75,000	75,000	53,834	21,166
Total expenses	<u>11,416,305</u>	<u>11,416,305</u>	<u>10,359,548</u>	<u>1,056,757</u>
Excess of revenues over (under) expenses before transfers	(2,012,505)	(2,012,505)	364,162	2,376,667
Transfers:				
Transfers in	460,000	460,000	-	(460,000)
Transfers out	(460,000)	(460,000)	-	460,000
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in net position	(2,012,505)	(2,012,505)	364,162	2,376,667
Net position at beginning of year	4,554,514	4,554,514	4,554,514	-
Prior year encumbrances appropriated	<u>97,505</u>	<u>97,505</u>	<u>97,505</u>	<u>-</u>
Net position at end of year	<u>\$ 2,639,514</u>	<u>\$ 2,639,514</u>	<u>\$ 5,016,181</u>	<u>\$ 2,376,667</u>

City of Amherst, Ohio

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

Street Maintenance Repair Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 486,893	\$ 86,893
Miscellaneous	1,000	1,000	2,900	1,900
Total revenues	<u>401,000</u>	<u>401,000</u>	<u>489,793</u>	<u>88,793</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	490,000	490,000	427,809	62,191
Fringe benefits	210,500	210,500	174,988	35,512
Contractual services	78,882	78,882	46,367	32,515
Materials and supplies	267,147	267,147	240,157	26,990
Capital outlay	<u>101,639</u>	<u>101,639</u>	<u>85,946</u>	<u>15,693</u>
Total expenditures	<u>1,148,168</u>	<u>1,148,168</u>	<u>975,267</u>	<u>172,901</u>
Excess of revenues under expenditures	(747,168)	(747,168)	(485,474)	261,694
Other financing sources:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>400,000</u>	<u>(100,000)</u>
Net change in fund balance	(247,168)	(247,168)	(85,474)	161,694
Fund balance at beginning of year	504,930	504,930	504,930	-
Prior year encumbrances appropriated	<u>68,168</u>	<u>68,168</u>	<u>68,168</u>	<u>-</u>
Fund balance at end of year	<u>\$ 325,930</u>	<u>\$ 325,930</u>	<u>\$ 487,624</u>	<u>\$ 161,694</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 33,500	\$ 33,500	\$ 39,473	\$ 5,973
Total revenues	<u>33,500</u>	<u>33,500</u>	<u>39,473</u>	<u>5,973</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Salaries & Wages	10,000	10,000	10,000	-
Contractual services	8,218	8,218	6,970	1,248
Materials and supplies	18,093	18,093	6,502	11,591
Total expenditures	<u>36,311</u>	<u>36,311</u>	<u>23,472</u>	<u>12,839</u>
Net change in fund balance	(2,811)	(2,811)	16,001	18,812
Fund balance at beginning of year	32,508	32,508	32,508	-
Prior year encumbrances appropriated	<u>311</u>	<u>311</u>	<u>311</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,008</u>	<u>\$ 30,008</u>	<u>\$ 48,820</u>	<u>\$ 18,812</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 62,073	\$ 2,073
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>62,073</u>	<u>2,073</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital Outlay	51,750	51,750	41,919	9,831
Debt service:				
Principal	15,000	15,000	14,827	173
Interest and fiscal charges	11,000	11,000	10,511	489
Total expenditures	<u>77,750</u>	<u>77,750</u>	<u>67,257</u>	<u>10,493</u>
Net change in fund balance	(17,750)	(17,750)	(5,184)	12,566
Fund balance at beginning of year	290,517	290,517	290,517	-
Prior year encumbrances appropriated	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Fund balance at end of year	<u>\$ 274,517</u>	<u>\$ 274,517</u>	<u>\$ 287,083</u>	<u>\$ 12,566</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 40,000	\$ 40,000	\$ 53,962	\$ 13,962
Charges for services	73,000	73,000	86,895	13,895
Miscellaneous	15,000	15,000	21,628	6,628
Total revenues	<u>128,000</u>	<u>128,000</u>	<u>162,485</u>	<u>34,485</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Salaries and wages	104,860	104,860	104,670	190
Fringe benefits	19,500	19,500	18,253	1,247
Contractual services	22,947	22,947	18,540	4,407
Materials and supplies	35,943	35,943	25,983	9,960
Capital outlay	2,700	2,700	-	2,700
Total expenditures	<u>185,950</u>	<u>185,950</u>	<u>167,446</u>	<u>18,504</u>
Excess of revenues under expenditures	(57,950)	(57,950)	(4,961)	52,989
Other financing sources:				
Transfers in	-	-	10,000	10,000
Net change in fund balance	(57,950)	(57,950)	5,039	62,989
Fund balance at beginning of year	62,975	62,975	62,975	-
Prior year encumbrances appropriated	950	950	950	-
Fund balance at end of year	<u>\$ 5,975</u>	<u>\$ 5,975</u>	<u>\$ 68,964</u>	<u>\$ 62,989</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 30,000	\$ 30,000	\$ 36,977	\$ 6,977
Interest	1,000	1,000	16	(984)
Miscellaneous	1,500	1,500	1,610	110
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>38,603</u>	<u>6,103</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	57,400	57,400	57,034	366
Fringe benefits	22,500	22,500	21,691	809
Contractual services	38,891	38,891	36,566	2,325
Materials and supplies	6,846	6,846	4,867	1,979
Capital Outlay	1,000	1,000	-	1,000
Total expenditures	<u>126,637</u>	<u>126,637</u>	<u>120,158</u>	<u>6,479</u>
Excess of revenues under expenditures	(94,137)	(94,137)	(81,555)	12,582
Other financing sources:				
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>60,000</u>	<u>(5,000)</u>
Net change in fund balance	(29,137)	(29,137)	(21,555)	7,582
Fund balance at beginning of year	50,163	50,163	50,163	-
Prior year encumbrances appropriated	<u>3,737</u>	<u>3,737</u>	<u>3,737</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,763</u>	<u>\$ 24,763</u>	<u>\$ 32,345</u>	<u>\$ 7,582</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 47,300	\$ 32,300
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>47,300</u>	<u>32,300</u>
Expenditures:				
Current operations and maintenance:				
Community Development				
Contractual services	20,000	20,000	10,000	10,000
Capital Outlay	<u>84,000</u>	<u>84,000</u>	<u>40,792</u>	<u>43,208</u>
Total expenditures	<u>104,000</u>	<u>104,000</u>	<u>50,792</u>	<u>53,208</u>
Net change in fund balance	(89,000)	(89,000)	(3,492)	85,508
Fund balance at beginning of year	<u>255,517</u>	<u>255,517</u>	<u>255,517</u>	<u>-</u>
Fund balance at end of year	<u>\$ 166,517</u>	<u>\$ 166,517</u>	<u>\$ 252,025</u>	<u>\$ 85,508</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 27,110	\$ 27,110
Charges for Services	30,000	30,000	32,598	2,598
Contributions and donations	8,000	8,000	15,265	7,265
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>74,973</u>	<u>36,973</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Materials and supplies	38,141	38,141	7,296	30,845
Contractual services	1,000	1,000	768	232
Capital outlay	37,500	37,500	34,995	2,505
Total expenditures	<u>76,641</u>	<u>76,641</u>	<u>43,059</u>	<u>33,582</u>
Excess of revenues over (under) expenditures	(38,641)	(38,641)	31,914	70,555
Other financing uses:				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(48,641)	(48,641)	21,914	70,555
Fund balance at beginning of year	189,509	189,509	189,509	-
Prior year encumbrances appropriated	<u>641</u>	<u>641</u>	<u>641</u>	<u>-</u>
Fund balance at end of year	<u>\$ 141,509</u>	<u>\$ 141,509</u>	<u>\$ 212,064</u>	<u>\$ 70,555</u>

City of Amherst, Ohio

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

Assistance to Firefighters Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 15,000	\$ 33,175	\$ 33,175	\$ -
Total revenues	<u>15,000</u>	<u>33,175</u>	<u>33,175</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Materials and supplies	15,395	33,570	4,626	28,944
Total expenditures	<u>15,395</u>	<u>33,570</u>	<u>4,626</u>	<u>28,944</u>
Net change in fund balance	(395)	(395)	28,549	28,944
Fund balance at beginning of year	<u>395</u>	<u>395</u>	<u>395</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,944</u>	<u>\$ 28,944</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fees, license and permits	\$ 131,400	\$ 131,400	\$ 149,553	\$ 18,153
Charges for services	8,600	8,600	8,520	(80)
Miscellaneous	-	-	5,198	5,198
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>163,271</u>	<u>23,271</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	77,591	77,592	68,062	9,530
Materials and supplies	32,839	32,839	6,268	26,571
Capital outlay	<u>378,001</u>	<u>510,500</u>	<u>447,186</u>	<u>63,314</u>
Total expenditures	<u>488,431</u>	<u>620,931</u>	<u>521,516</u>	<u>99,415</u>
Net change in fund balance	(348,431)	(480,931)	(358,245)	122,686
Fund balance at beginning of year	430,551	430,551	430,551	-
Prior year encumbrances appropriated	<u>285,631</u>	<u>285,631</u>	<u>285,631</u>	<u>-</u>
Fund balance at end of year	<u>\$ 367,751</u>	<u>\$ 235,251</u>	<u>\$ 357,937</u>	<u>\$ 122,686</u>

City of Amherst, Ohio

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

CPT Grant Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Community Environment				
Capital outlay	3,545	3,545	-	3,545
Total expenditures	<u>3,545</u>	<u>3,545</u>	<u>-</u>	<u>3,545</u>
Net change in fund balance	(3,545)	(3,545)	-	3,545
Fund balance at beginning of year	<u>3,545</u>	<u>3,545</u>	<u>3,545</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,545</u></u>	<u><u>\$ 3,545</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 2,096	\$ 2,096
Total revenues	<u>-</u>	<u>-</u>	<u>2,096</u>	<u>2,096</u>
Expenditures:				
Security of persons and property:				
Capital outlay	37,977	37,977	1,481	36,496
Total expenditures	<u>37,977</u>	<u>37,977</u>	<u>1,481</u>	<u>36,496</u>
Net change in fund balance	(37,977)	(37,977)	615	38,592
Fund balance at beginning of year	37,086	37,086	37,086	-
Prior year encumbrances appropriated	<u>891</u>	<u>891</u>	<u>891</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,592</u>	<u>\$ 38,592</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 6,699	\$ 6,699
Total revenues	<u>-</u>	<u>-</u>	<u>6,699</u>	<u>6,699</u>
Expenditures:				
Capital outlay	<u>459</u>	<u>459</u>	<u>-</u>	<u>459</u>
Net change in fund balance	(459)	(459)	6,699	7,158
Fund balance at beginning of year	<u>459</u>	<u>459</u>	<u>459</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,158</u></u>	<u><u>\$ 7,158</u></u>

City of Amherst, Ohio

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

DUI Enforcement Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 2,260	\$ 2,260
Total revenues	<u>-</u>	<u>-</u>	<u>2,260</u>	<u>2,260</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	2,412	2,412	325	2,087
Total expenditures	<u>2,412</u>	<u>2,412</u>	<u>325</u>	<u>2,087</u>
Net change in fund balance	(2,412)	(2,412)	1,935	4,347
Fund balance at beginning of year	<u>2,412</u>	<u>2,412</u>	<u>2,412</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,347</u></u>	<u><u>\$ 4,347</u></u>

City of Amherst, Ohio

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

Bullet Proof Vest Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 318	\$ 318	\$ 948	\$ 630
Total revenues	<u>318</u>	<u>318</u>	<u>948</u>	<u>630</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	1,272	1,272	-	1,272
Total expenditures	<u>1,272</u>	<u>1,272</u>	<u>-</u>	<u>1,272</u>
Net change in fund balance	(954)	(954)	948	1,902
Fund balance at beginning of year	<u>954</u>	<u>954</u>	<u>954</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,902</u>	<u>\$ 1,902</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111</u>	<u>\$ 111</u>
Total revenues	<u>-</u>	<u>-</u>	<u>111</u>	<u>111</u>
Net change in fund balance	-	-	111	111
Fund balance at beginning of year	<u>32,976</u>	<u>32,976</u>	<u>32,976</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 32,976</u></u>	<u><u>\$ 32,976</u></u>	<u><u>\$ 33,087</u></u>	<u><u>\$ 111</u></u>

City of Amherst, Ohio

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

Community Improvement Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ -	\$ -	\$ 50,000	\$ 50,000
Total revenues	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	-	-	50,000	50,000
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 200,000	\$ 200,000	\$ 196,859	\$ (3,141)
Intergovernmental	20,000	20,000	28,463	8,463
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>225,322</u>	<u>5,322</u>
Expenditures:				
Debt service:				
Principal retirement	220,000	230,000	230,000	-
Interest and fiscal charges	65,000	65,000	51,513	13,487
Contractual services	19,500	9,500	6,051	3,449
Total expenditures	<u>304,500</u>	<u>304,500</u>	<u>287,564</u>	<u>16,936</u>
Excess of revenues under expenditures	(84,500)	(84,500)	(62,242)	22,258
Other financing sources:				
Transfer In	-	-	50,000	50,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	(84,500)	(84,500)	(12,242)	72,258
Fund balance at beginning of year	<u>428,498</u>	<u>428,498</u>	<u>428,498</u>	<u>-</u>
Fund balance at end of year	<u>\$ 343,998</u>	<u>\$ 343,998</u>	<u>\$ 416,256</u>	<u>\$ 72,258</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 235,000	\$ 235,000	\$ 240,042	\$ 5,042
Intergovernmental	25,000	25,000	36,669	11,669
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>276,711</u>	<u>16,711</u>
Expenditures:				
Security of persons and property				
Contractual services	15,000	15,000	3,683	11,317
Materials and supplies	119,499	119,499	94,477	25,022
Capital outlay	236,996	236,996	113,815	123,181
Total expenditures	<u>371,495</u>	<u>371,495</u>	<u>211,975</u>	<u>159,520</u>
Excess of revenues over (under) expenditures	(111,495)	(111,495)	64,736	176,231
Other financing uses:				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	-	4,000
Net change in fund balance	(115,495)	(115,495)	64,736	180,231
Fund balance at beginning of year	401,296	401,296	401,296	-
Prior year encumbrances appropriated	<u>56,495</u>	<u>56,495</u>	<u>56,495</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 342,296</u></u>	<u><u>\$ 342,296</u></u>	<u><u>\$ 522,527</u></u>	<u><u>\$ 180,231</u></u>

City of Amherst, Ohio

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

CDBG Improvements Fund

For The Year Ended December 31, 2012

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

City of Amherst, Ohio

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

Permanent Improvement Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Capital outlay	\$ 178	\$ 178	\$ -	\$ 178
Total expenditures	<u>178</u>	<u>178</u>	<u>-</u>	<u>178</u>
Net change in fund balance	(178)	(178)	-	178
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>178</u>	<u>178</u>	<u>178</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 178</u></u>	<u><u>\$ 178</u></u>

City of Amherst, Ohio

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

City Hall Auditorium Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 500	\$ 500	\$ 666	\$ 166
Total revenues	<u>500</u>	<u>500</u>	<u>666</u>	<u>166</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	45,282	45,282	45,282	-
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>145,282</u>	<u>145,282</u>	<u>45,282</u>	<u>100,000</u>
Net change in fund balance	(144,782)	(144,782)	(44,616)	100,166
Fund balance at beginning of year	154,721	154,721	154,721	-
Prior year encumbrances appropriated	<u>45,283</u>	<u>45,283</u>	<u>45,283</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,222</u>	<u>\$ 55,222</u>	<u>\$ 155,388</u>	<u>\$ 100,166</u>

City of Amherst, Ohio

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

Health Insurance Fund

For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Other	\$ 870,000	\$ 870,000	\$ 1,031,581	\$ 161,581
Total revenues	<u>870,000</u>	<u>870,000</u>	<u>1,031,581</u>	<u>161,581</u>
Expenses:				
Claims	1,035,000	1,035,000	1,007,887	27,113
Total expenses	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,007,887</u>	<u>27,113</u>
Net change in net position	(165,000)	(165,000)	23,694	188,694
Net position at beginning of year	<u>334,988</u>	<u>334,988</u>	<u>334,988</u>	<u>-</u>
Net position at end of year	<u>\$ 169,988</u>	<u>\$ 169,988</u>	<u>\$ 358,682</u>	<u>\$ 188,694</u>

City of Amherst, Ohio

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

Cemetery Trust Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 13	\$ 13
Total revenues	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
Expenses:				
Capital outlay	300	300	100	200
Total expenses	<u>300</u>	<u>300</u>	<u>100</u>	<u>200</u>
Net change in net position	(300)	(300)	(87)	213
Net position at beginning of year	<u>4,241</u>	<u>4,241</u>	<u>4,241</u>	<u>-</u>
Net position at end of year	<u>\$ 3,941</u>	<u>\$ 3,941</u>	<u>\$ 4,154</u>	<u>\$ 213</u>

City of Amherst, Ohio

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

Municipal Income Tax Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 1,975,000	\$ 1,975,000	\$ 2,189,095	\$ 214,095
Miscellaneous	-	-	38,762	38,762
Total revenues	<u>1,975,000</u>	<u>1,975,000</u>	<u>2,227,857</u>	<u>252,857</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Salaries and wages	50,400	50,400	48,436	1,964
Fringe benefits	28,250	28,250	26,164	2,086
Materials and supplies	15,417	15,417	15,153	264
Contractual services	32,865	32,865	23,654	9,211
Total expenditures	<u>126,932</u>	<u>126,932</u>	<u>113,407</u>	<u>13,525</u>
Excess of revenues over expenditures	1,848,068	1,848,068	2,114,450	266,382
Other financing uses:				
Transfer Out	(2,270,000)	(2,270,000)	(2,037,464)	232,536
Total other financing uses	<u>(2,270,000)</u>	<u>(2,270,000)</u>	<u>(2,037,464)</u>	<u>232,536</u>
Net change in fund balance	(421,932)	(421,932)	76,986	498,918
Fund balance at beginning of year	630,779	630,779	630,779	-
Prior year encumbrances appropriated	<u>4,782</u>	<u>4,782</u>	<u>4,782</u>	<u>-</u>
Fund balance at end of year	<u>\$ 213,629</u>	<u>\$ 213,629</u>	<u>\$ 712,547</u>	<u>\$ 498,918</u>

City of Amherst, Ohio

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

Downtown Director Fund

For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 10,000	\$ 13,270	\$ 18,270	\$ 5,000
Total revenues	<u>10,000</u>	<u>13,270</u>	<u>18,270</u>	<u>5,000</u>
Expenditures:				
Current operations and maintenance:				
Legislative and Executive				
Contractual services	10,000	15,118	15,118	-
Total expenditures	<u>10,000</u>	<u>15,118</u>	<u>15,118</u>	<u>-</u>
Net change in fund balance	-	(1,848)	3,152	5,000
Fund balance at beginning of year	<u>1,848</u>	<u>1,848</u>	<u>1,848</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,848</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>

Statistical Section

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

STATISTICAL TABLES

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

CONTENTS	PAGES
Financial Trends	118 to 129
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	130 to 135
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	136 to 141
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	142 to 143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	144 to 150
These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2012	2011 (1)	2010	2009*
Governmental Activities				
Net Investment in				
Capital Assets	\$ 21,025,115	\$ 21,005,542	\$ 19,761,957	\$ 19,316,081
Restricted:				
Capital Projects	5,301,032	4,892,597	5,203,193	5,873,519
Debt Service	415,822	428,456	409,208	354,470
Other Purposes	2,422,760	2,434,810	1,637,405	1,333,201
Unrestricted	<u>3,215,419</u>	<u>2,751,516</u>	<u>4,434,550</u>	<u>4,579,981</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 32,380,148</u>	<u>\$ 31,512,921</u>	<u>\$ 31,446,313</u>	<u>\$ 31,457,252</u>
Business Type - Activities				
Net Investment in				
Capital Assets	\$ 12,322,668	\$ 12,329,752	\$ 12,497,793	\$ 12,155,820
Unrestricted	<u>13,354,631</u>	<u>13,018,446</u>	<u>12,643,263</u>	<u>11,955,503</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 25,677,299</u>	<u>\$ 25,348,198</u>	<u>\$ 25,141,056</u>	<u>\$ 24,111,323</u>
Primary Government				
Net Investment in				
Capital Assets	\$ 33,347,783	\$ 33,335,294	\$ 32,259,750	\$ 31,471,901
Restricted	8,139,614	7,755,863	7,249,806	7,561,190
Unrestricted	<u>16,570,050</u>	<u>15,769,962</u>	<u>17,077,813</u>	<u>16,535,484</u>
<i>Total Primary Government Net Position</i>	<u>\$ 58,057,447</u>	<u>\$ 56,861,119</u>	<u>\$ 56,587,369</u>	<u>\$ 55,568,575</u>

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

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

* - As Restated

(1) - Restated, see Note 20

Source: Respective comprehensive annual financial reports.

2008	2007	2006	2005	2004	2003
\$ 19,354,437	\$ 19,251,994	\$ 15,915,559	\$ 15,848,347	\$ 14,262,957	\$ 13,079,697
5,203,532	4,494,099	6,350,070	5,775,685	5,635,261	6,029,078
421,947	471,690	522,199	389,713	257,053	395,556
1,536,088	1,434,301	1,777,456	1,623,160	969,055	1,072,223
<u>4,644,254</u>	<u>5,156,522</u>	<u>4,755,621</u>	<u>4,934,364</u>	<u>5,649,251</u>	<u>5,907,166</u>
<u>\$ 31,160,258</u>	<u>\$ 30,808,606</u>	<u>\$ 29,320,905</u>	<u>\$ 28,571,269</u>	<u>\$ 26,773,577</u>	<u>\$ 26,483,720</u>
\$ 12,167,851	\$ 11,872,604	\$ 10,882,276	\$ 10,666,565	\$ 10,247,197	\$ 10,383,641
11,112,278	10,743,642	10,466,825	8,800,987	10,225,310	8,078,131
<u>\$ 23,280,129</u>	<u>\$ 22,616,246</u>	<u>\$ 21,349,101</u>	<u>\$ 19,467,552</u>	<u>\$ 20,472,507</u>	<u>\$ 18,461,772</u>
\$ 31,522,288	\$ 31,124,598	\$ 26,797,835	\$ 26,514,912	\$ 24,510,154	\$ 23,463,338
7,161,567	6,400,090	8,649,725	7,788,558	6,861,369	7,496,857
<u>15,756,532</u>	<u>15,900,164</u>	<u>15,222,446</u>	<u>13,735,351</u>	<u>15,874,561</u>	<u>13,985,297</u>
<u>\$ 54,440,387</u>	<u>\$ 53,424,852</u>	<u>\$ 50,670,006</u>	<u>\$ 48,038,821</u>	<u>\$ 47,246,084</u>	<u>\$ 44,945,492</u>

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

	2012	2011	2010	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 75,126	\$ 75,132	\$ 63,034	\$ 62,892
Security of Persons and Property	310,235	232,392	268,332	288,073
Public Health and Welfare	39,086	32,117	22,630	34,527
Leisure Time Activities	55,850	46,043	28,876	45,930
Community Development	11,165	6,069	9,454	9,737
Transportation	298,986	237,537	143,830	127,134
Central Services	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Subtotal - Charges for Services	<u>790,448</u>	<u>629,290</u>	<u>536,156</u>	<u>568,293</u>
Operating Grants and Contributions:				
General Government	30,039	45,692	43,355	43,875
Security of Persons and Property	2,001	3,121	10,348	7,586
Public Health and Welfare	57,057	50,963	71,669	117,915
Leisure Time Activities	89,394	80,713	108,149	175,749
Community Development	5,123	-	9,306	5,519
Transportation	478,569	416,398	538,701	486,474
Interest and Fiscal Charges	-	-	-	-
Subtotal - Operating Grants and Contributions	<u>662,183</u>	<u>596,887</u>	<u>781,528</u>	<u>837,118</u>
Capital Grants and Contributions:				
General Government	-	-	-	-
Security of Persons and Property	10,586	61,140	4,316	4,712
Transportation	33,547	265,455	12,590	143,606
Community Development	-	5,422	-	1,498
Leisure Time Activities	-	-	-	-
Interest and Fiscal Charges	-	-	-	40,441
Subtotal - Capital Grants and Contributions	<u>44,133</u>	<u>332,017</u>	<u>16,906</u>	<u>190,257</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,496,764</u>	<u>1,558,194</u>	<u>1,334,590</u>	<u>1,595,668</u>
Business-Type Activities:				
Charges for Services:				
Water	2,758,514	2,324,385	2,752,551	2,037,348
Sewer	2,624,620	2,443,723	2,399,136	2,411,085
Electric	10,260,109	10,274,294	10,029,935	9,403,081
Capital Grants and Contributions				
Water	-	-	-	-
Sewer	-	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>15,643,243</u>	<u>15,042,402</u>	<u>15,181,622</u>	<u>13,851,514</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 17,140,007</u>	<u>\$ 16,600,596</u>	<u>\$ 16,516,212</u>	<u>\$ 15,447,182</u>

	2008	2007	2006	2005	2004	2003
\$	76,508	\$ 111,451	\$ 98,555	\$ 89,819	\$ 1,094,527	\$ 1,031,672
	281,661	362,923	388,358	372,818	2,081	2,983
	15,955	19,112	19,215	23,252	36,241	41,943
	17,123	23,218	14,587	20,760	62,336	62,154
	18,393	34,679	27,440	6,795	-	-
	93,848	110,840	70,446	147,808	-	-
	-	-	-	3,478	-	-
	-	-	848	207	-	-
	<u>503,488</u>	<u>662,223</u>	<u>619,449</u>	<u>664,937</u>	<u>1,195,185</u>	<u>1,138,752</u>
	143,826	83,717	38,841	47,489	250,812	332,569
	30,035	14,292	27,547	73,668	124,286	62,404
	80,160	79,102	99,196	130,734	20,100	14,755
	117,812	119,663	124,377	152,147	37,931	168,472
	26,101	164,210	205,928	61,677	49,360	134,291
	645,691	571,252	600,652	918,110	506,583	435,207
	-	-	7,235	25,533	-	-
	<u>1,043,625</u>	<u>1,032,236</u>	<u>1,103,776</u>	<u>1,409,358</u>	<u>989,072</u>	<u>1,147,698</u>
	44,925	21,710	16,037	6,575	4,386	137,000
	3,850	2,054	-	15,271	31,167	31,604
	64,082	401,678	211,617	238,589	206,898	27,784
	26,112	-	-	-	-	-
	-	-	-	-	-	28,075
	26,461	59,565	40,588	-	-	-
	<u>165,430</u>	<u>485,007</u>	<u>268,242</u>	<u>260,435</u>	<u>242,451</u>	<u>224,463</u>
	<u>1,712,543</u>	<u>2,179,466</u>	<u>1,991,467</u>	<u>2,334,730</u>	<u>2,426,708</u>	<u>2,510,913</u>
	1,650,348	1,813,057	1,892,333	1,899,419	2,039,892	1,833,888
	2,348,826	2,369,498	2,321,797	2,361,056	2,392,084	2,632,408
	8,596,600	8,579,430	8,400,806	7,366,094	6,535,752	6,185,959
	-	-	-	-	-	-
	-	-	-	1,142,046	-	-
	<u>12,595,774</u>	<u>12,761,985</u>	<u>12,614,936</u>	<u>12,768,615</u>	<u>10,967,728</u>	<u>10,652,255</u>
\$	<u>14,308,317</u>	<u>\$ 14,941,451</u>	<u>\$ 14,606,403</u>	<u>\$ 15,103,345</u>	<u>\$ 13,394,436</u>	<u>\$ 13,163,168</u>

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

	2012	2011	2010	2009
Expenses				
Governmental Activities:				
General Government	\$ 1,142,487	\$ 1,253,538	\$ 1,167,524	\$ 1,090,030
Security of Persons and Property	3,622,582	3,630,708	3,685,288	3,561,357
Public Health and Welfare	180,141	182,119	181,171	187,020
Leisure Time Activities	195,425	208,193	192,890	200,489
Community Development	138,690	120,958	136,730	141,987
Transportation	2,058,750	2,158,982	2,153,207	3,087,723
Interest and Fiscal Charges	133,033	156,333	143,550	132,198
Central Services	-	-	-	-
<i>Total Governmental Activities Expenses</i>	<u>7,471,108</u>	<u>7,710,831</u>	<u>7,660,360</u>	<u>8,400,804</u>
Business-Type Activities				
Water	2,864,731	2,455,719	2,535,722	2,097,816
Sewer	2,457,752	2,211,743	2,455,905	2,312,429
Electric	10,006,040	9,533,399	9,252,218	9,178,966
<i>Total Business-Type Activities Expenses</i>	<u>15,328,523</u>	<u>14,200,861</u>	<u>14,243,845</u>	<u>13,589,211</u>
<i>Total Primary Government Program Expenses</i>	<u>22,799,631</u>	<u>21,911,692</u>	<u>21,904,205</u>	<u>21,990,015</u>
Net (Expense)/Revenue				
Governmental Activities	(5,974,344)	(6,152,637)	(6,325,770)	(6,805,136)
Business-Type Activities	314,720	841,541	937,777	262,303
<i>Total Primary Government Net Expense</i>	<u>(5,659,624)</u>	<u>(5,311,096)</u>	<u>(5,387,993)</u>	<u>(6,542,833)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes levied For:				
General Purposes	\$ 821,602	\$ 895,499	\$ 936,250	\$ 911,564
Debt Service	196,464	201,799	208,017	195,679
Capital Projects	239,478	244,633	256,654	243,117
Income Tax levied for:				
General Purposes	3,347,157	3,055,377	2,968,455	2,195,005
Capital Projects	1,130,048	975,915	961,087	2,120,497
Other Taxes (1)	48,618	-	-	-
Grants and Entitlements not Restricted to				
Specific Programs	896,214	670,001	694,228	661,857
Investment Earnings	49,631	89,343	78,161	408,926
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous Income	109,109	82,382	192,457	160,425
Unrestricted contributions	3,250	4,296	19,522	5,060
Transfers	-	-	-	-
<i>Total Governmental Activities</i>	<u>6,841,571</u>	<u>6,219,245</u>	<u>6,314,831</u>	<u>6,902,130</u>
Business-Type Activities				
Gain on Sale of Capital Assets	-	-	-	-
Miscellaneous	14,381	21,914	91,956	568,891
Transfers	-	-	-	-
<i>Total Business-Type Activities Revenues</i>	<u>14,381</u>	<u>21,914</u>	<u>91,956</u>	<u>568,891</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>6,855,952</u>	<u>6,241,159</u>	<u>6,406,787</u>	<u>7,471,021</u>
Extraordinary Item				
Settlement	-	-	-	-
Change in Net Position				
Governmental Activities	867,227	66,608	(10,939)	96,994
Business-Type Activities	329,101	863,455	1,029,733	831,194
<i>Total Primary Government Change in Net Position</i>	<u>\$ 1,196,328</u>	<u>\$ 930,063</u>	<u>\$ 1,018,794</u>	<u>\$ 928,188</u>

Source: Respective comprehensive annual financial reports.

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

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

2008	2007	2006	2005	2004	2003
\$ 1,300,320	\$ 1,378,161	\$ 1,171,650	\$ 951,096	\$ 2,317,483	\$ 1,624,209
3,823,222	3,927,587	3,586,487	3,785,329	2,855,859	3,026,629
207,226	176,382	213,065	205,063	209,452	269,524
207,024	209,609	247,131	185,408	186,117	324,696
320,262	297,871	598,737	52,768	317,254	348,226
2,540,437	2,206,794	2,382,629	1,984,088	2,351,243	1,632,491
148,957	205,519	226,277	119,966	128,868	151,803
-	-	-	34,371	-	-
8,547,448	8,401,923	8,425,976	7,318,089	8,366,276	7,377,578
1,939,971	1,795,754	1,652,501	1,791,620	1,862,909	1,874,892
2,441,503	2,047,447	2,090,383	3,998,887	2,038,345	2,084,577
8,181,764	8,075,124	7,443,978	8,520,416	5,900,552	6,027,435
12,563,238	11,918,325	11,186,862	14,310,923	9,801,806	9,986,904
21,110,686	20,320,248	19,612,838	21,629,012	18,168,082	17,364,482
(6,834,905)	(6,222,457)	(6,434,509)	(4,983,359)	(5,939,568)	(4,866,665)
32,536	843,660	1,428,074	(1,542,308)	1,165,922	665,351
(6,802,369)	(5,378,797)	(5,006,435)	(6,525,667)	(4,773,646)	(4,201,314)
\$ 1,034,659	\$ 1,018,775	\$ 919,975	\$ 929,197	\$ 766,973	\$ 570,753
208,835	216,707	197,338	204,812	189,916	188,109
242,991	260,139	239,346	253,611	235,348	235,400
2,234,822	2,090,331	2,095,647	1,995,695	1,914,477	2,048,667
2,149,227	2,106,634	2,050,926	1,974,016	1,939,801	1,817,627
-	-	-	-	-	-
677,972	557,878	461,827	389,082	673,754	491,904
473,110	1,177,999	968,739	518,177	301,412	286,316
-	-	3,778	10,798	3,275	-
157,201	201,572	233,576	148,285	206,882	164,061
7,740	31,967	12,993	-	-	-
-	-	-	-	(2,415)	293,000
7,186,557	7,662,002	7,184,145	6,423,673	6,229,423	6,095,837
-	-	3,675	-	3,825	-
631,347	423,485	449,800	138,743	-	11,820
-	-	-	-	2,415	(293,000)
631,347	423,485	453,475	138,743	6,240	(281,180)
7,817,904	8,085,487	7,637,620	6,562,416	6,235,663	5,814,657
-	-	-	357,378	-	-
351,652	1,439,545	749,636	1,797,692	289,855	1,229,172
663,883	1,267,145	1,881,549	(1,403,565)	1,172,162	384,171
\$ 1,015,535	\$ 2,706,690	\$ 2,631,185	\$ 394,127	\$ 1,462,017	\$ 1,613,343

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

	2012	2011**	2010	2009*
General Fund				
Reserved	\$ -	\$ -	\$ 74,392	\$ 100,864
Unreserved	-	-	2,188,112	2,181,534
Nonspendable	154,041	153,001	-	-
Assigned	16,106	74,755	-	-
Unassigned	2,295,875	2,096,842	-	-
Total General Fund	2,466,022	2,324,598	2,262,504	2,282,398
All Other Governmental Funds				
Reserved	-	-	707,709	502,906
Unreserved, Undesignated, Reported in:				
Special Revenue funds	-	-	2,238,470	1,927,504
Debt Service funds	-	-	408,420	354,585
Capital Projects funds	-	-	5,109,556	5,955,187
Nonspendable	82,491	73,462	-	-
Committed	50,000	-	-	-
Restricted	7,891,108	7,547,819	-	-
Total All Other Governmental Funds	8,023,599	7,621,281	8,464,155	8,740,182
Total Governmental Funds	<u>\$ 10,489,621</u>	<u>\$ 9,945,879</u>	<u>\$ 10,726,659</u>	<u>\$ 11,022,580</u>

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

* - As Restated

** - Change in Accounting Principles

Source: Respective comprehensive annual financial reports.

2008	2007 (1)	2006 (1)	2005	2004	2003
\$ 48,845	\$ 8,769	\$ 67,437	\$ 208,569	\$ 140,579	\$ 152,678
2,174,136	2,241,834	1,894,564	1,811,261	2,789,773	2,997,622
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,222,981</u>	<u>2,250,603</u>	<u>1,962,001</u>	<u>2,019,830</u>	<u>2,930,352</u>	<u>3,150,300</u>
1,075,155	964,527	3,276,378	2,666,422	2,519,378	1,894,535
2,127,236	1,978,602	1,890,894	1,951,422	1,846,055	2,230,212
416,397	460,206	511,445	375,077	257,053	395,556
4,887,101	3,975,081	3,942,992	3,823,153	3,390,990	4,175,093
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,505,889</u>	<u>7,378,416</u>	<u>9,621,709</u>	<u>8,816,074</u>	<u>8,013,476</u>	<u>8,695,396</u>
<u>\$ 10,728,870</u>	<u>\$ 9,629,019</u>	<u>\$ 11,583,710</u>	<u>\$ 10,835,904</u>	<u>\$ 10,943,828</u>	<u>\$ 11,845,696</u>

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

	2012	2011	2010	2009
Revenues				
Property and Other Taxes	\$ 1,308,812	\$ 1,341,406	\$ 1,395,354	\$ 1,367,188
Municipal Income Taxes	4,119,912	4,241,385	4,032,726	4,141,089
Charges for Services	371,670	274,819	306,221	330,960
Fees, Licenses and Permits	320,963	298,857	156,399	159,688
Fines and Forfeitures	97,815	55,614	73,536	77,645
Intergovernmental	1,592,383	1,633,485	1,490,940	1,762,852
Investment Earnings	49,631	89,343	78,161	408,926
Contributions and Donations (1)	18,515	10,331	19,522	5,060
Miscellaneous	109,109	82,382	192,457	160,425
<i>Total Revenues</i>	<u>7,988,810</u>	<u>8,027,622</u>	<u>7,745,316</u>	<u>8,413,833</u>
Expenditures				
Current:				
General Government	975,841	1,064,572	965,526	888,393
Security of Persons and Property	3,494,924	3,337,281	3,356,393	3,320,246
Public Health and Welfare	166,855	169,824	177,478	183,327
Leisure Time Activities	174,434	189,708	175,803	183,402
Central Services	-	-	-	-
Community Development	138,690	120,958	136,730	141,987
Transportation	1,176,587	1,117,085	1,099,304	951,551
Capital Outlay	900,285	2,367,753	1,707,790	2,270,411
Debt Service:				
Principal Retirement	332,352	315,308	305,308	293,739
Interest and Fiscal Charges	97,980	125,913	116,905	125,687
<i>Total Expenditures</i>	<u>7,457,948</u>	<u>8,808,402</u>	<u>8,041,237</u>	<u>8,358,743</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>530,862</u>	<u>(780,780)</u>	<u>(295,921)</u>	<u>55,090</u>
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Issuance of OPWC Loans	-	-	-	38,620
Issuance of Notes and Loans	-	-	-	-
Inception of Capital Lease	12,880	-	-	-
Transfers In	520,000	575,711	773,461	376,113
Transfers Out	(520,000)	(575,711)	(773,461)	(376,113)
<i>Total Other Financing Sources (Uses)</i>	<u>12,880</u>	<u>-</u>	<u>-</u>	<u>38,620</u>
Extraordinary Item:				
Proceeds from Settlement	-	-	-	-
<i>Net Change in Fund Balances</i>	<u>\$ 543,742</u>	<u>\$ (780,780)</u>	<u>\$ (295,921)</u>	<u>\$ 93,710</u>
Debt Service as a Percentage of Noncapital Expenditures	6.7%	6.7%	6.3%	5.9%

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

	2008	2007	2006	2005	2004	2003
\$	1,488,284	\$ 1,491,533	\$ 1,407,505	\$ 1,337,465	\$ 1,188,100	\$ 991,775
	5,063,361	4,178,297	4,032,808	3,865,734	3,927,202	3,788,947
	250,524	261,002	221,794	285,148	290,796	314,972
	178,742	315,906	291,711	315,432	366,938	420,083
	74,222	85,315	105,945	64,356	-	-
	1,916,492	2,091,267	1,772,141	2,090,892	1,800,248	1,725,403
	473,110	1,177,999	968,739	518,177	301,412	286,316
	18,109	-	-	-	-	-
	157,201	223,314	259,677	198,285	166,475	327,696
	<u>9,620,045</u>	<u>9,824,633</u>	<u>9,060,320</u>	<u>8,675,489</u>	<u>8,041,171</u>	<u>7,855,192</u>
	1,219,811	1,290,348	1,092,691	904,361	1,665,590	1,181,052
	3,472,606	3,345,253	3,053,176	3,241,446	2,766,068	2,662,351
	200,768	172,268	208,951	205,856	207,574	266,206
	189,928	192,805	159,941	168,781	172,837	193,476
	-	-	-	35,902	-	-
	320,262	297,871	300,383	66,356	318,764	344,776
	1,291,509	1,210,649	1,190,978	1,329,361	1,661,249	1,029,501
	1,538,156	5,043,769	3,570,263	2,871,096	1,891,182	3,346,438
	295,009	270,098	247,559	233,335	206,925	133,000
	120,881	133,817	176,474	95,095	98,505	151,275
	<u>8,648,930</u>	<u>11,956,878</u>	<u>10,000,416</u>	<u>9,151,589</u>	<u>8,988,694</u>	<u>9,308,075</u>
	<u>971,115</u>	<u>(2,132,245)</u>	<u>(940,096)</u>	<u>(476,100)</u>	<u>(947,523)</u>	<u>(1,452,883)</u>
	-	14,554	23,772	10,798	48,068	440
	-	-	1,475,000	-	-	373,496
	128,736	163,000	-	-	-	-
	-	-	189,130	-	-	-
	-	-	-	-	-	-
	585,000	1,305,286	1,081,722	1,764,432	674,446	826,688
	<u>(585,000)</u>	<u>(1,305,286)</u>	<u>(1,081,722)</u>	<u>(1,764,432)</u>	<u>(676,861)</u>	<u>(533,688)</u>
	<u>128,736</u>	<u>177,554</u>	<u>1,687,902</u>	<u>10,798</u>	<u>45,653</u>	<u>666,936</u>
	-	-	-	357,378	-	-
\$	<u>1,099,851</u>	<u>\$ (1,954,691)</u>	<u>\$ 747,806</u>	<u>\$ (107,924)</u>	<u>\$ (901,870)</u>	<u>\$ (785,947)</u>
	5.6%	5.8%	6.6%	5.2%	4.3%	4.8%

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

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

Source: Respective comprehensive annual financial reports.

* - As restated, see Note 20.

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

	2006	2007	2008	2009	2010	2011*	2012
\$	6,210,032	\$ 6,157,186	\$ 6,011,981	\$ 5,996,590	\$ 6,058,097	\$ 5,870,834	\$ 5,723,917
	4,447,762	4,522,029	4,308,114	4,316,123	4,562,569	4,462,900	4,359,239
	1,959,225	1,870,021	1,726,057	2,105,825	2,782,168	2,328,245	2,761,070
	1,569,000	1,726,553	1,873,986	2,043,406	2,479,134	2,402,743	2,815,635
	390,225	143,468	(147,929)	62,419	303,034	(74,498)	(54,565)
	(83,501)	(69,201)	(65,986)	(54,410)	(56,588)	(52,976)	(49,096)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	306,724	74,267	(213,915)	8,009	246,446	(127,474)	(103,661)
	5	5	5	5	5	5	5
	1.52	1.52	1.55	1.52	1.56	1.64	1.75
	555	553	568	553	570	600	637
\$	20,110,331	\$ 20,017,195	\$ 19,548,491	\$ 19,227,423	\$ 18,837,660	\$ 17,302,777	\$ 16,893,805
	10,493,031	10,921,574	10,955,191	11,243,798	11,189,196	10,437,739	10,608,053
	2,393,190	2,475,990	2,475,120	2,601,036	2,401,303	2,447,400	2,628,066
	1,775,374	1,707,569	2,118,306	2,013,053	2,170,078	1,945,078	2,211,439
	617,816	768,421	356,814	587,983	231,225	502,322	416,627
	(315,009)	(339,878)	(323,197)	(299,376)	(285,827)	(266,665)	(246,313)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	302,807	428,543	33,617	288,607	(54,602)	235,657	170,314
	9	9	10	10	10	10	10
	1.53	0.97	1.10	0.10	1.15	1.43	1.27
	11.77	10.30	13.09	9.15	7.25	12.34	12.55
	2.62	2.31	2.43	2.13	2.05	2.86	2.27
	3.50	3.50	3.50	3.50	3.50	3.50	3.50
	7.50	7.00	7.00	7.00	7.00	7.00	7.00
\$	9,547,975	\$ 10,291,201	\$ 10,629,476	\$ 10,817,740	\$ 11,366,856	\$ 12,075,772	\$ 12,022,237
	6,408,308	7,172,643	8,016,824	8,551,402	9,389,291	10,447,559	10,710,007
	8,712,321	8,839,459	9,117,230	9,804,010	10,183,315	10,392,271	10,380,939
	7,235,603	7,852,752	8,068,826	9,102,077	9,169,871	9,474,168	9,953,268
	1,476,718	986,707	1,048,404	701,933	1,013,444	918,103	427,671
	(115,618)	(127,447)	(112,938)	(76,889)	(82,347)	(59,231)	(52,772)
	(92,757)	(94,925)	(91,285)	(90,466)	(93,208)	(103,600)	(112,451)
	3,675	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,272,018	764,335	844,181	534,578	837,889	755,272	262,448
	8	8	7	7	7	7	7

City of Amherst, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property (3)	
	Assessed Value		Estimated Actual Value(1)	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2012	\$ 258,815,400	\$ 57,825,180	\$ 904,687,371	\$ 1,735,160	\$ 1,971,773
2011	259,507,720	57,697,850	906,301,629	1,632,060	1,854,614
2010	258,430,748	57,377,490	902,309,251	1,573,510	1,788,080
2009	270,457,068	56,294,330	933,575,423	1,668,650	1,896,193
2008	268,418,350	50,481,050	911,141,143	1,710,440	1,943,682
2007	263,675,390	46,231,420	885,448,029	3,191,860	3,627,114
2006	261,838,730	46,202,660	880,118,257	3,220,620	3,659,795
2005	242,938,520	40,662,610	810,288,943	3,363,860	3,822,568
2004(2)	235,317,860	39,370,670	762,489,429	3,748,390	4,259,534
2003	229,343,730	37,471,510	762,329,257	3,944,970	4,482,920

Source: Lorain County Auditor

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

Tangible Personal Property (3)

General Business			Total			Ratio	Direct Rate
Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$ 37,060	-	\$ -	\$ 318,412,800	\$ 906,659,144	35.12%	5.70	
35,610	4	-	318,873,240	908,156,242	35.11	5.70	
242,563	4	4,851,260	317,624,311	908,948,591	34.94	5.70	
243,688	3	3,899,008	328,663,736	939,370,624	34.99	5.70	
3,939,456	3	63,031,296	324,549,296	976,116,121	33.25	5.70	
7,998,290	3	63,986,320	321,096,960	953,061,462	33.69	5.70	
11,937,746	3	63,667,979	323,199,756	947,446,031	34.11	5.75	
10,265,265	3	41,061,060	297,230,255	855,172,571	34.76	5.75	
14,702,555		58,810,220	293,139,475	825,559,183	35.51	5.75	
17,418,620		69,674,480	288,178,830	836,486,658	34.45	6.10	

City of Amherst, Ohio
Property Tax Rates
Last Ten Years

Fiscal Year	Effective Rate		City							County	Amherst Exempted School District	Lorain County Joint Vocational School
	Class 1 Res/Agr	Class 2 All other	Total Rate	General Fund	Bond Retirement - Inside	Bond Retirement - Voted	Fire - Voted	Health District	Total City			
2003 for 2004	45.16	52.58	83.14	3.00	0.20	0.55	1.00	1.00	5.75	12.89	62.05	2.45
2004 for 2005	45.58	52.74	83.37	3.00	0.20	0.55	1.00	1.00	5.75	13.19	61.98	2.45
2005 for 2006	46.93	53.05	83.67	3.00	0.20	0.55	1.00	1.00	5.75	13.49	61.98	2.45
2006 for 2007	43.36	49.09	83.30	3.00	0.20	0.50	1.00	1.00	5.70	13.49	61.66	2.45
2007 for 2008	43.66	48.93	83.10	3.00	0.20	0.50	1.00	1.00	5.70	13.39	61.56	2.45
2008 for 2009	50.71	55.70	90.22	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.68	2.45
2009 for 2010	50.71	55.61	90.22	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.68	2.45
2010 for 2011	52.58	56.02	90.17	3.00	0.20	0.50	1.00	1.00	5.70	13.39	68.63	2.45
2011 for 2012	53.39	56.83	89.79	3.00	0.20	0.50	1.00	1.00	5.70	13.69	67.95	2.45
2012 for 2013	61.64	63.33	95.47	3.00	0.20	0.50	1.00	1.00	5.70	13.65	74.65	2.45

Source: Lorain County Auditor

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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
			Current Tax Collections To Tax Levy	Delinquent Tax Collections To Tax Levy					
2012	\$ 1,454,112	\$ 1,446,202	99.46%	\$ 25,016	\$ 1,471,218	101.18%	\$ 68,932	4.74%	
2011	1,504,030	1,459,375	97.03%	38,006	1,497,381	99.56%	63,348 (2)	4.21% (2)	
2010	1,509,548	1,419,521	94.04%	40,997	1,460,518	96.75%	69,484	4.60%	
2009	1,534,471	1,448,599	94.40%	30,606	1,479,205	96.40%	52,293	3.41%	
2008	1,447,383	1,411,767	97.54%	44,654	1,456,421	100.62%	49,366	3.41%	
2007	1,414,529	1,375,776	97.26%	35,448	1,411,224	99.77%	38,848	2.75%	
2006	1,332,810	1,299,579	97.51%	34,759	1,334,338	100.11%	29,516	2.21%	
2005	1,304,357	1,272,619	97.57%	34,027	1,306,646	100.18%	32,211	2.47%	
2004	1,265,889	1,235,798	97.62%	28,813	1,264,611	99.90%	55,427	4.38%	
2003	1,182,379	1,150,168	97.28%	33,819	1,183,987	100.14%	30,799	2.60%	

Source: Lorain County, Ohio: County Auditor

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

(2) Amount corrected by City.

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

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

2012		
Taxpayer	Property Assessed Valuation (1)	Percentage of Assessed Valuation
Nordson Corp	\$ 4,046,810	1.27 %
Target Corporation	3,175,520	1.00 %
Amherst Ridge Equities LLC	2,694,040	0.85 %
Amherst Plaza Limited Partnership	2,543,920	0.80 %
LRF Properties LLC	1,790,290	0.56 %
Pierre Real Property LLC	1,777,500	0.56 %
Spitzer A Team Limited Partnership	1,492,690	0.47 %
Lormet Community Federal Credit Union	1,285,180	0.40 %
KTM North America Inc	1,207,420	0.38 %
Amherst Manor Company LTD	1,113,530	0.35 %
Total Ten Taxpayers Assessed Valuation	\$ 21,126,900	6.64 %
Total Assessed Valuation	\$ 318,412,800	

(1) The amounts presented represent the assessed values upon which 2012 collections were based.

2003		
Taxpayer	Property Assessed Valuation (2)	Percentage of Assessed Valuation
Nordson, Inc.	\$ 5,381,620	1.87 %
Amherst Plaza Limited	2,713,690	0.94 %
Acadia Amherst, LLC	1,985,690	0.69 %
Centuryl of Ohio, Inc.	1,512,530	0.52 %
M Six Pnvest II Business	944,430	0.33 %
Amherst Manor Company	943,460	0.33 %
Central Village LTD Company	885,880	0.31 %
Ohio Edison	848,030	0.29 %
Cawrse Richard, Jr.	835,800	0.29 %
Pinecrest Apartments LTD	767,390	0.27 %
Total Ten Taxpayers Assessed Valuation	\$ 16,818,520	5.84 %
Total Assessed Valuation	\$ 288,178,830	

(2) Assessed valuation based on the valuation of property for taxes collected in 2003 and review of the largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by the taxpayer in the County.

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

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2012	1.50%	\$ 4,369,746	\$ 2,491,129	57.01%	\$ 377,846	8.65%	\$1,500,771	34.34%
2011	1.50%	4,170,867	2,430,851	58.28%	352,133	8.44%	1,387,884	33.28%
2010	1.50%	3,971,792	2,275,471	57.29%	347,396	8.75%	1,348,926	33.96%
2009*	1.50%	4,192,827	2,338,619	55.78%	388,570	9.27%	1,465,638	34.96%
2008	1.50%	4,338,309	2,415,395	55.68%	340,143	7.84%	1,582,771	36.48%
2007	1.50%	4,174,442	2,434,981	58.33%	281,156	6.74%	1,458,305	34.93%
2006	1.50%	4,068,103	2,294,139	56.39%	285,236	7.01%	1,488,728	36.60%
2005	1.50%	3,882,300	2,250,827	57.98%	233,210	6.01%	1,398,264	36.02%
2004	1.50%	3,822,924	2,244,897	58.72%	247,164	6.47%	1,330,863	34.81%
2003	1.50%	3,687,817	2,184,166	59.23%	226,001	6.13%	1,277,651	34.65%

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

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

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

Year	Governmental Activities				Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	Notes Payable	Capital Leases	OWDA Loans	OPWC Loans			
2012	\$ 2,362,866	\$ 466,650	\$ 10,836	\$ 1,935,000	\$ 515,000	\$ -	\$ 5,757,790	\$ 61,596	\$ 11,109,738	3.34%	924
2011	2,622,147	501,958	-	2,414,996	672,000	-	6,134,135	70,244	12,415,480	3.73%	1,033
2010	2,871,015	537,266	-	2,874,996	832,000	-	6,497,111	78,892	13,691,280	4.11%	1,139
2009	3,113,805	572,574	-	3,314,997	982,000	-	6,847,192	87,540	14,918,108	4.93%	1,265
2008	3,355,023	562,693	-	3,734,998	1,132,000	-	7,185,092	97,192	16,066,998	5.31%	1,362
2007 *	3,594,185	468,966	-	4,154,998	1,282,000	-	7,510,743	105,839	17,116,731	5.66%	1,451
2006	3,903,525	249,791	1,717	4,554,999	1,432,000	-	7,824,569	114,486	18,081,087	5.97%	1,533
2005	2,615,759	70,646	4,291	4,140,000	1,585,000	-	8,099,235	83,039	16,597,970	5.48%	1,407
2004	2,779,497	77,071	36,201	4,495,000	1,715,000	27,922	9,357,962	89,682	18,578,335	6.14%	1,575
2003	2,948,000	85,996	69,720	4,770,000	1,865,000	54,264	5,935,709	96,324	15,825,013	5.23%	1,341

Note: Population and Personal Income data are presented on page 143.

N/A - Information not available

Source: City's financial records

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

City of Amherst, Ohio

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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2012	12,021	b	\$ 906,659,144	\$4,297,866	0.47 %	\$ 357.53
2011	12,021	b	908,156,242	5,037,143	0.55 %	419.03
2010	12,021	b	908,948,591	5,746,011	0.63 %	478.00
2009	11,797	a	939,370,624	6,428,802	0.68 %	544.95
2008	11,797	a	976,116,121	7,090,021	0.73 %	601.00
2007	11,797	a	953,061,462	7,749,183	0.81 %	656.88
2006	11,797	a	947,446,031	8,458,524	0.89 %	717.01
2005	11,797	a	855,172,571	6,755,759	0.79 %	572.67
2004	11,797	a	825,559,183	7,274,497	0.88 %	616.64
2003	11,797	a	836,486,658	7,718,000	0.92 %	654.23

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) County Auditor

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

City of Amherst, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2012

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Amherst			
General Obligation Bonds	\$ 2,362,866	100 %	\$2,362,866
OPWC Loans	<u>466,650</u>	100 %	<u>466,650</u>
<i>Total Direct Debt</i>	<u>2,829,516</u>		<u>2,829,516</u>
Overlapping			
County			
General Obligation Bonds	<u>29,420,000</u>	4.70%	<u>1,382,740</u>
<i>Total Overlapping Debt</i>	<u>29,420,000</u>		<u>1,382,740</u>
Total	<u><u>\$32,249,516</u></u>		<u><u>\$4,212,256</u></u>

Source: County Auditor

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

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City of Amherst, Ohio
Legal Debt Margin
Last Ten Years

	2012	2011	2010	2009	2008
Total Assessed Property Value	<u>\$ 318,412,800</u>	<u>\$ 318,873,240</u>	<u>\$ 317,624,311</u>	<u>\$ 328,663,736</u>	<u>\$ 324,549,296</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>33,433,344</u>	<u>33,481,690</u>	<u>33,350,553</u>	<u>34,509,692</u>	<u>34,077,676</u>
Debt Outstanding:					
General Obligation Bonds	\$ 4,297,866	\$ 5,037,143	\$ 5,746,011	\$ 6,428,802	\$ 7,090,021
Less Accreted Debt	(192,866)	(157,147)	(126,015)	(98,805)	(75,023)
Notes Payable	515,000	672,000	832,000	982,000	1,132,000
OPWC Loans	528,246	572,202	616,158	660,114	659,885
OWDA Loans	<u>5,757,790</u>	<u>6,134,135</u>	<u>6,497,111</u>	<u>6,847,192</u>	<u>7,185,092</u>
Total Gross Indebtedness	10,906,036	12,258,333	13,565,265	14,819,303	15,991,975
Less:					
General Obligation Bonds - Business Type Activities	(1,935,000)	(2,414,996)	(2,874,996)	(3,314,997)	(3,734,998)
Notes Payable - Business Type Activities	(515,000)	(672,000)	(832,000)	(982,000)	(1,132,000)
OPWC Loans - Business Type Activities	(61,596)	(70,244)	(78,892)	(87,540)	(97,192)
OWDA Loans - Business Type Activities	<u>(5,757,790)</u>	<u>(6,134,135)</u>	<u>(6,497,111)</u>	<u>(6,847,192)</u>	<u>(7,185,092)</u>
Total Net Debt Applicable to Debt Limit	<u>2,636,650</u>	<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 30,796,694</u>	<u>\$ 30,514,732</u>	<u>\$ 30,068,287</u>	<u>\$ 30,922,118</u>	<u>\$ 30,234,983</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.11%	91.14%	90.16%	89.60%	88.72%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 17,512,704</u>	<u>\$ 17,538,028</u>	<u>\$ 17,469,337</u>	<u>\$ 18,076,505</u>	<u>\$ 17,850,211</u>
Total Gross Indebtedness	10,906,036	12,258,333	13,565,265	14,819,303	15,991,975
Less:					
General Obligation Bonds - Business Type Activities	(1,935,000)	(2,414,996)	(2,874,996)	(3,314,997)	(3,734,998)
Notes Payable - Business Type Activities	(515,000)	(672,000)	(832,000)	(982,000)	(1,132,000)
OPWC Loans - Business Type Activities	(61,596)	(70,244)	(78,892)	(87,540)	(97,192)
OWDA Loans - Business Type Activities	<u>(5,757,790)</u>	<u>(6,134,135)</u>	<u>(6,497,111)</u>	<u>(6,847,192)</u>	<u>(7,185,092)</u>
Net Debt Within 5 ½ % Limitations	<u>2,636,650</u>	<u>2,966,958</u>	<u>3,282,266</u>	<u>3,587,574</u>	<u>3,842,693</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 14,876,054</u>	<u>\$ 14,571,070</u>	<u>\$ 14,187,071</u>	<u>\$ 14,488,931</u>	<u>\$ 14,007,518</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	84.94%	83.08%	81.21%	80.15%	78.47%

Source: City Financial Records

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

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

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

2012

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

2003

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

Source: City Tax Department

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2012	12,021	b \$ 332,981,700	\$ 27,700	\$ 61,458	44.6	3,065	4,168	7.7%	\$ 159,920	\$ 318,412,800
2011	12,021	b 332,981,700	27,700	61,458	44.6	3,065	4,274	8.0	159,668	318,873,240
2010	12,021	b 332,981,700	27,700	61,458	44.6	3,065	4,247	9.7	159,447	317,624,311
2009	11,797	a 302,663,832	25,565	53,513	40.2	1,805	4,092	9.5	159,260	328,663,736
2008	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,292	7.0	166,870	324,549,296
2007	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,333	6.2	166,290	321,096,960
2006	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,345	5.8	165,150	323,199,756
2005	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,257	5.8	174,058	297,230,255
2004	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,232	6.2	161,117	293,139,475
2003	11,797	a 302,663,832	25,656	53,513	40.2	1,805	4,190	6.6	176,727	288,178,830

(1) Source: U. S. Census

(a) Years 2000 through 2009 - 2000 Federal Census

(b) 2010 Federal Census

(2) Source: Amherst Exempted Village Board of Education

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

(4) Source: County Auditor

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

N/A - Information not available

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Council	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.50
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Civil Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Security of Persons and Property										
Police	26.00	25.00	24.00	24.00	22.50	22.50	22.50	22.50	22.00	22.50
Police - Dispatchers/Office/Other	5.50	7.00	7.00	7.00	9.00	10.00	10.00	9.00	9.00	8.00
Fire	16.50	16.50	17.50	16.50	16.00	17.50	17.50	17.00	17.00	18.00
Public Health Services										
Cemetery	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.00	4.00
Social Services	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00
Leisure Time Activities										
Recreation	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	0.50	1.50
Community Development										
Building	2.00	2.00	2.00	2.00	3.50	4.00	4.00	4.00	4.50	4.00
Transportation	7.00	7.00	7.00	7.00	7.00	8.00	6.00	8.00	8.00	8.00
Street M&R										
Basic Utility Services										
Electric	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	7.00	5.00
Utility Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Wastewater	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00
Totals	101.50	102.00	102.50	101.50	103.00	107.00	108.00	108.50	105.50	107.50

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

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

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City of Amherst, Ohio
 Operating Indicators by Function/Program
 Last Ten Years

Function/Program	2012	2011	2010	2009
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	42	70	65	47
Number of Resolutions Passed	9	9	7	5
Number of Planning Commission docket items	3	8	11	5
Zoning Board of Appeals docket items	22	9	35	32
<i>Finance Department</i>				
Number of checks/ vouchers issued	2,975	2,918	2,958	3,094
Amount of checks written	\$ 27,707,865	\$ 27,863,437	\$ 26,828,779	\$ 25,073,934
Interest earnings for fiscal year (cash basis)	\$ 65,593	\$ 107,092	\$ 67,858	\$ 474,036
Number of Receipts issued	576	616	641	644
Number of Journal Entries issued	422	421	432	441
Number of Budget Adjustments issued	5	5	3	5
Agency Ratings - Moody's Financial Services	Aa3	Aa3	Aa3	A-2
Health Insurance Costs vs General Fund Expenditures %	7.79%	7.78%	7.77%	8.40%
General Fund Receipts (cash basis in thousands)	\$ 5,338	\$ 5,100	\$ 4,987	\$ 4,293
General Fund Expenditures (cash basis in thousands)	\$ 5,011	\$ 4,884	\$ 5,001	\$ 4,719
General Fund Cash Balances (in thousands)	1,110	725	560	556
<i>Income Tax Department</i>				
Number of Individual Returns	5,139	5,354	5,305	5,356
Number of Business Returns	1,187	1,174	1,136	1,174
Number of business withholding accounts	964	935	997	853
Amount of Penalties and Interest Collected	\$ 64,184	\$ 49,690	\$ 39,144 *	\$ 47,910 *
Annual number of Corporate withholding forms processed	4,087	3,993	4,007	3,879
Annual number of balance due statements forms processed	2,186	1,946 *	2,216 *	2,163 *
Annual number of estimated payment forms processed	838	863	729	710
Annual number of reconciliations of withholdings processed	986	904	957	897
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	0
Number of police promotional tests administered	2	3	0	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of police officers from certified lists	1	2	0	0
Number of promotions from police certified lists	1	0	0	0
Number of promotions from fire certified lists	0	0	0	0
<i>Building Department Indicators</i>				
Construction Permits Issued	1,013	989	775	703
Estimated Value of Construction	\$ 15,242,707	\$ 11,207,276	\$ 10,490,529	\$ 9,681,151
Amount of revenue generated from permits	\$ 241,743	\$ 136,485	\$ 160,595	\$ 173,837
Number of contract registrations issued	468	441	439	429
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	10,525	8,765	9,698	10,418
Number of traffic citations issued	2,348	2,005	2,291	2,571
Number of parking citations issued	42	96	268	223
Number of criminal arrests	1,003	1,014	1,314	1,385
Number of accident reports completed	418	441	445	437
Police Dept. Auxiliary hours worked	470	576	900	942
DUI Arrests	54	65	97	108
Prisoners	272	225	326	317
Prisoner meal costs	\$ 2,834	\$ 1,070	\$ 1,632	\$ 1,086
Motor Vehicle Accidents	418	441	445	437
Fatalities from Motor Vehicle Accidents	0	3	1	1
Gasoline costs of fleet	\$ 65,897	\$ 68,243	\$ 55,508	\$ 41,663
Community Diversion Program Youths	22	35	41	42
Community Diversion Program - community service hours	154	245	287	294

	2008	2007	2006	2005	2004	2003
	53	84	80	102	11	148
	5	9	8	8	12	12
	19	21	27	31	28	N/A
	55	59	71	62	54	N/A
	3,463	3,626	3,595	3,897	3,652	3,381
\$	26,112,499	\$ 30,101,952	\$ 27,187,148	\$ 30,980,308	\$ 28,156,561	\$ 24,223,222
\$	502,538	\$ 1,018,280	\$ 877,438	\$ 607,401	\$ 335,179	\$ 291,367
	643	617	631	652	683	766
	469	501	518	572	536	534
	8	9	11	6	12	12
	A-2	A-2	A-2	N/A	N/A	N/A
	9.00%	9.80%	6.40%	5.80%	5.50%	6.90%
\$	4,572	\$ 4,906	\$ 4,917	\$ 4,563	\$ 8,022	\$ 5,273
\$	4,979	\$ 4,862	\$ 4,878	\$ 4,822	\$ 8,588	\$ 4,918
	980	1,376	1,405	1,365	1,624	2,190
	5,278	5,315	5,315	5,364	5,361	5,217
	1,194	1,146	1,112	1,120	1,075	1,127
	1,013	1,037	966	986	1,016	98
\$	17,946	\$ 19,292	\$ 24,728	\$ 27,466	\$ 32,064	\$ 33,444
	4,053	4,174	3,932	3,928	4,153	3,912
	4,500	4,200	3,600	2,800	2,000	2,000
	731	576	785	773	768	745
	939	1,037	979	943	954	937
	0	1	0	0	1	0
	0	0	0	0	0	0
	0	0	0	0	0	1
	0	0	0	1	1	4
	0	0	0	0	0	0
	0	0	0	0	0	1
	672	778	841	958	1,004	1,133
\$	9,440,858	\$ 21,945,621	\$ 19,589,286	\$ 21,752,602	\$ 21,085,964	\$ 30,360,104
\$	134,371	\$ 255,648	\$ 261,251	\$ 333,002	\$ 349,943	\$ 441,024
	463	537	408	162	163	133
	10,243	10,662	10,675	11,462	12,844	12,508
	2,649	2,699	1,679	3,374	2,091	2,931
	215	316	467	880	349	221
	1,423	1,675	1,675	1,675	1,432	950
	449	375	385	427	491	426
	1,662	1,214	1,999	2,269	2,184	N/A
	153	120	130	142	186	161
	256	365	110	N/A	N/A	N/A
\$	813	\$ 4,222	\$ 7,904	9,892	3,319	8,625
	449	427	385	427	491	426
	1	0	1	0	0	0
\$	56,155	\$ 48,107	\$ 48,708	39,765	32,830	26,639
	82	63	83	74	82	51
	574	441	498	444	492	306

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

Function/Program	2012	2011	2010	2009
Fire				
EMS Calls	130	143	148	151
Fire Calls	334	338 *	323	378
Fires with Loss	10	18	21	20
Fires with Losses exceeding \$10K	8	15	18	13
Fire Losses \$	\$ 323,000	\$ 640,000	\$ 843,600	\$ 423,500
Fire Safety Inspections	390	400	450	320
Number of times Mutual Aid given to Fire and EMS	28	15	15	30
Number of times Mutual Aid received for Fire and EMS	7	5	7	7
Public Health and Welfare				
Cemetery sale of lots	7	7	7	20
Cemetery receipts	\$ 12,420	\$ 10,216	\$ 14,098	\$ 22,976
Leisure Time Activities				
Recreation				
Recreation Swimming pool receipts	\$ 66,724	\$ 62,839	\$ 63,834	\$ 63,888
Recreation Mens & Womens Leagues receipts	8,274	7,682	9,492	9,113
Senior Van Fees	1,560	2,476	2,858	2,757
Beaver Creek Facilities rentals	17,535	17,330	17,275	15,520
Total Recreation Department receipts	<u>\$ 94,093</u>	<u>\$ 90,327</u>	<u>\$ 93,459</u>	<u>\$ 91,278</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$ 18,270	\$ 32,103	\$ -	\$ -
Transportation				
Cost of salt purchased	\$ 146,525	\$ 147,911	\$ 170,138	\$ 118,215
Water Department				
Water Rates per 1st 3,000 gallons of water used	13.11	13.11	13.17	12.63
Avg. number of water accounts billed monthly (Cu. Ft.)	5,908	5,909	5,889	5,914
Total Water Collections Annually (Including P&I)	\$ 2,510,416	\$ 2,234,324	\$ 2,111,159	\$ 1,855,782
Payments to Elyria and Lorain for bulk water purchases	\$ 1,726,522	\$ 1,417,414	\$ 1,176,408	\$ 988,583
Wastewater Department				
Wastewater Rates per 1st 3,000 gallons of water used	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.830	1.044	0.747	0.777
Tons of dry sludge removed	251.78	135.33	276.05	244.38

N/A - Information not available.

* Amount corrected in 2012 CAFR.

Source: City departments.

2008	2007	2006	2005	2004	2003
184	166	121	210	217	86
380	376	334	318	337	344
23	16	38	39	39	33
15	12	10	8	9	4
\$ 613,400	\$ 446,000	\$ 944,500	\$ 662,400	\$ 748,000	\$ 209,130
300	300	290	270	255	N/A
36	25	20	10	8	9
12	8	10	3	4	4
18	17	19	2	5	8
\$ 18,684	\$ 11,160	\$ 21,062	\$ 10,989	\$ 12,714	\$ 10,812
\$ 72,323	\$ 66,011	\$ 60,086	\$ 56,092	\$ 52,389	\$ 50,359
10,360	8,435	9,150	9,030	8,790	10,020
2,850	2,608	2,968	1,781	944	1,189
16,890	12,910	12,490	12,195	0	10,255
<u>\$ 102,423</u>	<u>\$89,964</u>	<u>\$84,694</u>	<u>\$79,098</u>	<u>\$62,123</u>	<u>\$71,823</u>
\$ 87,284	\$ 170,854	\$ 151,518	\$ 340,984	\$ 149,360	\$ 149,188
\$ 158,784	\$ 106,457	\$ 66,143	\$ 106,654	\$ 114,271	\$ 113,767
8.50	8.70	8.91	9.93	10.65	10.65
5,905	5,906	5,839	5,737	5,808	5,727
\$ 1,607,416	\$ 1,666,827	\$ 1,706,332	\$ 1,917,977	\$ 1,804,173	\$ 1,669,267
\$ 744,279	\$ 851,051	\$ 822,263	\$ 805,671	\$ 1,033,785	\$ 1,020,923
\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
0.891	0.843	0.954	1.097	0.897	0.848
303.74	379.42	282.31	263.67	161.05	271.09

City of Amherst, Ohio

Capital Assets Statistics by Function/Program

Last Six Years

Function/Program	2012	2011	2010	2009	2008	2007
General Government						
Square Footage Occupied	13,202	13,202	13,202	13,202	13,202	13,202
Administrative Vehicles	0	0	0	0	0	0
Inspection Vehicles	0	0	0	0	0	0
Municipal Court Vehicles	0	0	0	0	0	0
Lands & Buildings Vehicles	0	0	0	0	0	0
Police						
Stations	1	1	1	1	1	1
Square Footage of Building	20,000	20,000	20,000	20,000	20,000	20,000
Vehicles	19	19	19	19	19	19
Fire						
Stations	1	1	1	1	1	1
Square Footage of Building	18,050	18,050	18,050	18,050	18,050	18,050
Vehicles	10	10	10	10	10	10
Recreation						
Number of Parks	6	6	6	6	5	5
Number of Pools	1	1	1	1	1	1
Number of Ice Rinks	0	0	0	0	0	0
Number of Tennis Courts	0	0	0	0	0	0
Number of Skateboarding Areas	0	0	0	0	0	0
Number of Baseball Diamonds	0	0	0	0	0	0
Number of Tot Lots	0	0	0	0	0	0
Number of Soccer Fields	3	3	3	3	3	3
Square Footage of Ellenwood Building	2,800	2,800	2,800	2,800	2,800	2,800
Vehicles	3	3	3	3	3	3
Other Public Works						
Streets (miles)	71	71	71	71	71	71
Service Vehicles	13	13	13	13	13	15
Wastewater						
Sanitary Sewers (miles)	69.00	69.00	69.00	69.00	69.00	69.00
Storm Sewers (miles)	40.00	40.00	40.00	40.00	40.00	40.00
Vehicles	4	4	4	4	4	4
Water Department						
Water Lines (miles)	70	70	70	70	70	70
Vehicles	6	6	6	6	6	4

Information prior to 2006 is not available.

Source: City departments.



Dave Yost • Auditor of State

CITY OF AMHERST

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2013**