

City of Amherst, Ohio
Comprehensive Annual Financial Report
December 31, 2003



**Auditor of State
Betty Montgomery**

Members of the City Council
City of Amherst
Amherst, Ohio

We have reviewed the Independent Auditor's Report of the City of Amherst, Lorain County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 22, 2004

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City of Amherst, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2003

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City of Amherst

DIANE L. ESWINE, AUDITOR

May 17, 2004

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

We are pleased to submit to you the City of Amherst's second Comprehensive Annual Financial Report (CAFR) using the new reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2003.

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

The Comprehensive Annual Financial Report is presented in three sections:

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

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

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

The Reporting Entity

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

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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 of Amherst

The City of Amherst is situated on the western side of Lorain County, south of the City of Lorain, which is the largest city in the county. Amherst actually shares the southern half of Cooper Foster Road with Lorain in on the northern side of the road. The City of Amherst is also within a one-hour drive of the major cities of Cleveland and Akron. The City of Amherst is traversed by two major limited-access highways, both east – west transportation links, and by two state routes. Interstate 90 has two entrances to Amherst. Interstate 80, the Ohio Turnpike, has plans to build a new exit at Route 58 but the time schedule for that has been repeatedly delayed. We are expecting some resolution to that issue in the near future. Route 58 is one of the counties major north-south transportation links and Route 254 is another east-west artery. Other forms of transportation such as rail, lake shipping, and airfreight and passenger service are readily available, although not located within the city limits.

Amherst has had a historical small town feeling, which is promoted by the local historical society. The Amherst Historical Society is continuing to work to develop the Sandstone Village that was begun as a project to bring some tourist traffic to the Amherst area. Hopefully some cooperation can be developed between the Sandstone Village Project and the Downtown Revitalization effort to capture some of the tourist market. Work continues to be done to expand this area. The Nord Family Foundation headquarters is in the process of moving to a building at this site.

The City of Amherst is known within Lorain County as a good residential area for families. The Amherst School System is considered one of the best in the county. Students from Amherst have done very well on State Proficiency tests. The Amherst Exempted Village School District successfully completed a levy campaign to raise money for the construction of a new building for a junior high school and an addition to the current high school building. Those building projects are also nearing completion. This should help to alleviate the overcrowding situation currently existing in the school system.

Both Lorain County Community College (LCCC) and Oberlin College are within easy driving of the City of Amherst. LCCC recently teamed-up with other major universities so that students can now obtain four-year degrees doing work at the LCCC campus. LCCC also offers opportunities for high school students to get a head start by offering certain students the opportunity to earn college credits while still in high school.

The City of Amherst, Ohio is a growing residential community of 11,797 residents (according to the 2000 Census figures); the majority of whom lives within the City and commute to work in other communities. Amherst is within commuting distance of the Greater Cleveland Area and is experiencing growth due to the easy access by way of I-90 to that area. There have been plans to build a new exit for the Ohio Turnpike just south of the Amherst City Limits along Rt. 58. This new exit would presumably spur new growth in that area. The most recent information from the Turnpike Commission is that they will have the new exit in operation by fall of 2004. Currently the City of Amherst is largely built out and any significant further growth will have to be a result of annexation. There have also been some negotiations toward the establishment of a Joint Economic District (JED) agreement with Amherst Township; however that seems to be on hold at the present time.

Form of Government

The City of Amherst, Ohio was incorporated in 1962 under the laws of the State of Ohio. It is a Statutory City: Mayor-Council form of government. In a Statutory Form of Government the Mayor, Law Director, Auditor, and Treasurer are all elected for four year terms. The terms are staggered: the Mayor and Law

Director run at the same time. Two years later the Auditor and Treasurer are elected. The Mayor is a full time position, although the other three members of the administration are all part time. The seven-member council is divided into three at-large councilpersons and four ward councilpersons. All seven members run every two years. The council president is elected for a four year term during the year the Mayor and Law Director run.

The City provides a full range of services. These services include: 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, and water, sewer, electric, and sanitation services. The Amherst City School district, the Amherst Hospital and the Amherst Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Financial Information

Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Revised code and the City Charter and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Ordinance, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of the City Council.

Budgetary control is maintained by an encumbrance for purchase amounts prior to the release of purchase order to vendors. Purchase requisitions for the expenditures of monies are first reviewed by the department head and then forwarded to the appropriate official for his/her signature. They are then sent to the Auditor's Office for the preparation of a purchase order. The Auditor's Office certifies the purchase order for the availability of funds, and the estimated expenditure is encumbered against the available appropriation. Should department heads expend funds prior to the issuance of a purchase order, a Now and Then Stamp is placed on the purchase order. This practice is continually discouraged, however instances still occur.

The City adopts a temporary appropriation budget on or before January 1 of each year for the period January 1 through December 31. All disbursements and transfers of cash between funds require appropriation authority.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, budgeting and reporting, the City utilizes a computerized financial accounting and reporting system. The Mayor and the Auditor continually evaluate enhancements to the present internal accounting controls and procedures. They oversee the appropriateness of internal control, develop procedures to enhance internal control, and consult with outside auditors to insure that the City remains at a sound financial level of operation.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss resulting from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a

control should not exceed the benefits likely to be derived from its implementation, and that the valuation of costs and benefits requires estimates and judgments by managements. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Financial Conditions

This is the second year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements Those statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Auditor's Report, providing an assessment of the City finances for 2003.

Cash Management

The City adheres to the regulation set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions and with the State Treasurer's Investment Pool (STAROhio). Cash temporarily idle during the year is invested in demand deposits, certificates of deposit, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, repurchase agreements and STAROhio. On a full accrual basis, the City earned interest revenue of \$286,316.

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public funds deposited. The market value of the pooled collateral must equal 105 percent of the public funds on deposit. The collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The City maintains self-funded programs for health care benefits for City employees and their dependents. A risk manager monitors and processes all claims. The City carries stop loss insurance coverage for the health

care program in the amount of \$227,077 in aggregate for all employees. Additionally, the City has contracted with various companies to insure against risks related to torts, thefts or damage to assets, errors and omissions, injuries to employees, and natural disasters.

Use of Report

This report is published to provide the City Council, the Mayor, the Citizens of Amherst and other interested persons, detailed information concerning the financial condition of the City, with the particular emphasis placed on the utilization of resources during 2003. Further, this report will serve as a guide to formulating policies and conducting the City's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding to the City's financial affairs have been included.

In today's public awareness environment it is increasingly important that the public agencies prepare soundly conceived annual financial reports independently audited by a qualified firm or agency. It has become essential that such reports be prepared in accordance with accounting principals generally accepted in the United States of America (U.S. GAAP). Bond rating agencies review the data presented before determining a public agency's bond rating.

Other Information

Independent Audit

The City is subjected to an annual examination by an independent auditor. The firm of Ciuni and Panichi, Inc. was selected, as the independent auditor, to render an opinion on the City's financial statements as of December 31, 2003. The Independent Auditor's Report has been included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America as well as applicable legal requirements.

The City of Amherst received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2002. This was our fourth consecutive year to have successfully participated in the award program. A Certificate of Achievement is valid for a period of one year only. A copy of this certificate is contained within this report. The City of Amherst believes the current report conforms to the Certificate of Achievement Program requirements and standards, and has submitted it to the GFOA for consideration.

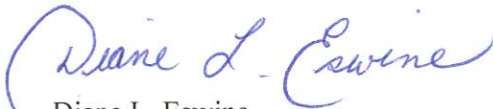
Acknowledgements

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

Special appreciation is expressed to the completion team of Ciuni and Panichi, Inc. for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Diane L. Eswine". The signature is written in a cursive style with a large, looping initial "D".

Diane L. Eswine
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, 2002

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.

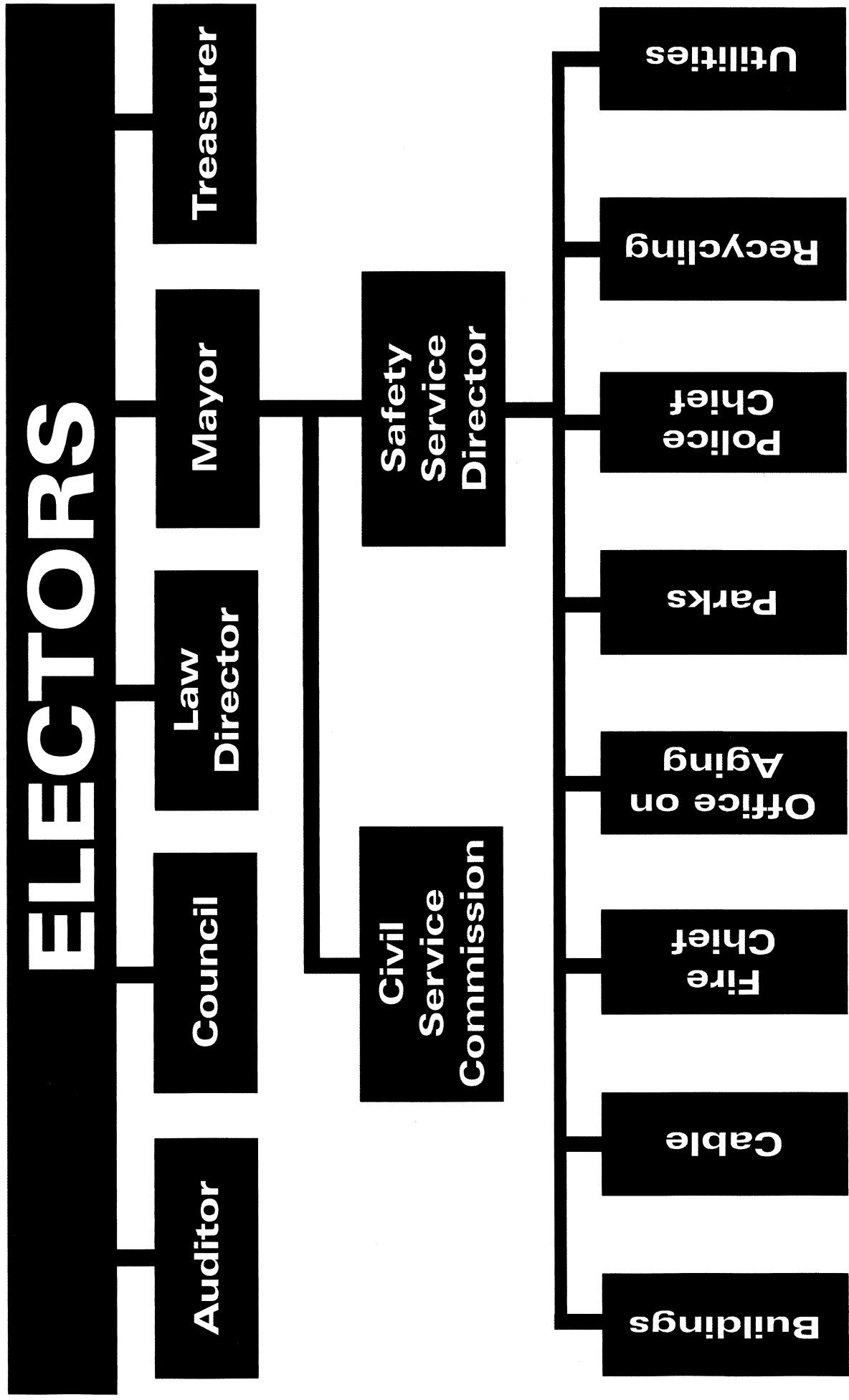


President

Executive Director

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City of Amherst Departmental Organizational Chart



City of Amherst, Ohio

Principal Officials

Elected Officials

Mayor.....	John G. Higgins
President of Council.....	John S. Dietrich
Council Member Ward 1	Terrence A. Traster
Council Member Ward 2	Edwin R. Cowger
Council Member Ward 3	Steve P’Simer
Council Member Ward 4	Jennifer Wasilk
Council Member – At large	Nancy L. Brown
Council Member – At large	Nicholas Brusky
Council Member – At large	David Williams
Auditor	Diane L. Eswine
Director of Law.....	Kenneth S. Stumphauzer
Treasurer	Kathleen Litkovitz

Appointed Officials

Council Clerk	Olga Sivinski
Secretary to the Mayor and Safety/Service Director	Sally Cornwell
Assistant Law Director.....	Scott Serazin
Civil Assistant to Law.....	Abraham Lieberman
Safety/Service Director.....	Sherrill McLoda
Deputy Auditor	Richard Pless
Budgetary Clerk	Donna Rumpler
Income Tax Secretary	Laura Kemp
Treasurer’s Administrative Assistant.....	Karen Flynn
Acting Chief Building Inspector.....	John Calvey
Building Inspector.....	Ron Konowal
Utilities Superintendent	Ron Merthe
Amherst Area Office on Aging Director.....	Nina Lorandaeu
Police Chief.....	Lonnie D. Dillon
Fire Chief	Ralph Zilch
Park Commission Chairman	Gordon Brown
Main Street Program Director.....	Lesia Boytchuk-Schneider
Cable Station Manager.....	Charlene Duncan

Independent Auditors' Report

Members of the City Council
Amherst, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio, (the "City") as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Amherst's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and Street Construction, Maintenance and Repair Special Revenue Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2004 on our consideration of the City of Amherst's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of the City Council
Amherst, Ohio

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Cini & Parichi, Inc.

Cleveland, Ohio
May 17, 2004

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

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, 2003. The intent of this discussion and analyses 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 2003 are:

- City income tax revenue totaled \$3,866,294.
- Total assets increased by \$8,424,756, or a 14.97 percent increase over 2002.
- Total net assets increased by \$1,613,343, or a 3.72 percent increase over 2002.
- Total capital assets increased by \$7,573,882, or a 25.37 percent increase over 2002.
- Total outstanding long-term liabilities increased by \$5,709,814. This was a 55.38 percent increase over 2002 and due primarily to the new Water Pollution Control Center. This facility is currently being built to replace an antiquated waste water treatment plant the Ohio Environmental Protection Agency had a number of issues with.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City of Amherst as a Whole

Statement of Net Assets and 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 asks the question, "How did the City do financially during 2003?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

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

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

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

Reporting of the Most Significant Funds of the City of Amherst

Fund Financial Statements

The presentation of the City's major funds begins on page 19. Fund financial reports provide detailed information about the City's major funds based on the 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, the Street Construction, Maintenance and Repair, Street Improvement Income Tax, Water, Sewer, and Electric Funds.

Government Funds

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

Proprietary Funds

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

The City as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 15,225,703	\$ 16,047,938	\$ 12,035,683	\$ 10,362,574	\$ 27,261,386	\$ 26,410,512
Capital assets, net	16,183,413	14,107,391	21,239,937	15,742,077	37,423,350	29,849,468
<i>Total assets</i>	<u>31,409,116</u>	<u>30,155,329</u>	<u>33,275,620</u>	<u>26,104,651</u>	<u>64,684,736</u>	<u>56,259,980</u>
Current and other liabilities	1,670,060	1,896,182	2,049,944	722,223	3,720,004	2,618,405
Long-term liabilities:						
Due within one year	261,517	217,546	502,904	475,071	764,421	692,617
Due in more than one year	2,993,819	2,787,053	12,261,000	6,829,756	15,254,819	9,616,809
<i>Total liabilities</i>	<u>4,925,396</u>	<u>4,900,781</u>	<u>14,813,848</u>	<u>8,027,050</u>	<u>19,739,244</u>	<u>12,927,831</u>
Invested in capital assets, net of related debt	13,079,697	10,927,382	10,383,641	10,484,993	23,463,338	21,412,375
Restricted for:						
Capital Projects	6,029,078	6,830,887	-	-	6,029,078	6,830,887
Debt Service	395,556	548,358	-	-	395,556	548,358
Other purposes	1,072,223	3,293,617	-	-	1,072,223	3,293,617
Unrestricted	5,907,166	3,654,304	8,078,131	7,592,608	13,985,297	11,246,912
<i>Total net assets</i>	<u>\$ 26,483,720</u>	<u>\$ 25,254,548</u>	<u>\$ 18,461,772</u>	<u>\$ 18,077,601</u>	<u>\$ 44,945,492</u>	<u>\$ 43,332,149</u>

Total assets increased \$ 8,424,756 from 2002 to 2003 primarily because of the increase in capital assets in business type activities and somewhat due to our road program.

Total liabilities increased by \$6,811,413 due primarily because of the long-term debt for the new water pollution control facility shown under business type activities. The increase in long-term liabilities in governmental activities reflects both a reduction in old debt and some new debt obligation.

Total net assets increased by \$ 1,613,343 due primarily to the increase in capital assets.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

Table 2 shows the changes in net assets for 2003 compared with 2002.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues						
Program Revenues:						
Charges for services	\$ 1,138,752	\$ 589,863	\$ 10,652,255	\$ 10,808,932	\$ 11,791,007	\$ 11,398,795
Operating grants and contributions	1,147,698	1,994,791	-	-	1,147,698	1,994,791
Capital grants and contributions	224,463	997,543	-	-	224,463	997,543
<i>Total program revenues</i>	<u>2,510,913</u>	<u>3,582,197</u>	<u>10,652,255</u>	<u>10,808,932</u>	<u>13,163,168</u>	<u>14,391,129</u>
General revenues:						
Property taxes	994,262	1,174,344	-	-	994,262	1,174,344
Municipal income taxes	3,866,294	3,728,847	-	-	3,866,294	3,728,847
Grants and entitlements	491,904	142,972	-	-	491,904	142,972
Investment income	286,316	330,833	-	-	286,316	330,833
Miscellaneous income	164,061	81,084	11,820	13,001	175,881	94,085
<i>Total general revenues</i>	<u>5,802,837</u>	<u>5,458,080</u>	<u>11,820</u>	<u>13,001</u>	<u>5,814,657</u>	<u>5,471,081</u>
<i>Total revenues</i>	<u>8,313,750</u>	<u>9,040,277</u>	<u>10,664,075</u>	<u>10,821,933</u>	<u>18,977,825</u>	<u>19,862,210</u>
Program Expenses:						
General government	1,624,209	1,439,619	-	-	1,624,209	1,439,619
Security of persons and property	3,026,629	2,814,476	-	-	3,026,629	2,814,476
Public health and welfare	269,524	219,656	-	-	269,524	219,656
Transportation	1,632,491	1,248,114	-	-	1,632,491	1,248,114
Community development	348,226	423,510	-	-	348,226	423,510
Leisure time activities	324,696	171,378	-	-	324,696	171,378
Interest and fiscal charges	151,803	127,272	-	-	151,803	127,272
Water	-	-	1,874,892	1,787,152	1,874,892	1,787,152
Sewer	-	-	2,084,577	1,074,784	2,084,577	1,074,784
Electric	-	-	6,027,435	5,218,086	6,027,435	5,218,086
<i>Total program expenses</i>	<u>7,377,578</u>	<u>6,444,025</u>	<u>9,986,904</u>	<u>8,080,022</u>	<u>17,364,482</u>	<u>14,524,047</u>
<i>Increase in net assets before transfers</i>	936,172	2,596,252	677,171	2,741,911	1,613,343	5,338,163
Transfers	293,000	-	(293,000)	-	-	-
<i>Increase in net assets</i>	<u>\$ 1,229,172</u>	<u>\$ 2,596,252</u>	<u>\$ 384,171</u>	<u>\$ 2,741,911</u>	<u>\$ 1,613,343</u>	<u>\$ 5,338,163</u>

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

Governmental Activities

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

Although the city income tax produces the largest share of revenue in the governmental activities, only approximately 20% of the residents in Amherst pay the 1½% income tax. Residents working outside of the city are forgiven 1% of the 1½% – "It is the intent of this section that a resident who pays tax to another municipality shall not pay tax to the City of Amherst on the same income in excess of one-half of one percent (½%)" (191.16(a)).

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

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

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

Intergovernmental revenues, particularly local government subsidies have, in the past, provided a very stable, predictable and significant contribution to the City's General Fund. In 2003, local government subsidies have become less stable with State Budget cuts and county distribution formulas being challenged in court. Estate taxes have also been a significant contributor to this City's budget, but much less stable and not at all predictable. Both of these forms of intergovernmental taxes are at risk due to budget concerns at the State level.

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

made new attempts to negotiate contracts with surrounding townships that closely reflect the cost of providing services to the elderly in those areas.

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

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

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

Business-Type Activities

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

The Water, Sewer and Electric Funds as a whole experienced a decrease in revenues from 2002 to 2003. This decrease is attributable to the cool, rainy weather we had in June of 2003, reducing the need for air conditioning and yard watering. Operating expenses increased in the Water Fund for personal services and contractual obligations. The water supply contract with Elyria is the main source of these increases. The City is attempting to either renegotiate this contract or mitigate the effects in some other way. The City tries to maintain the best services possible at the lowest costs possible.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

**Table 3
Program Expenses**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2003	2003	2003	2003	2003	2003
General government	\$ 1,624,209	\$ 122,968	\$ -	\$ -	\$ 1,624,209	\$ 122,968
Security of persons and property	3,026,629	2,929,638	-	-	3,026,629	2,929,638
Public health and welfare	269,524	212,826	-	-	269,524	212,826
Transportation	1,632,491	1,169,500	-	-	1,632,491	1,169,500
Community development	348,226	213,935	-	-	348,226	213,935
Leisure time activities	324,696	65,995	-	-	324,696	65,995
Interest and fiscal charges	151,803	151,803	-	-	151,803	151,803
Water	-	-	1,874,892	41,004	1,874,892	41,004
Sewer	-	-	2,084,577	(547,831)	2,084,577	(547,831)
Electric	-	-	6,027,435	(158,524)	6,027,435	(158,524)
<i>Total Cost of Services</i>	<u>\$ 7,377,578</u>	<u>\$ 4,866,665</u>	<u>\$ 9,986,904</u>	<u>\$ (665,351)</u>	<u>\$17,364,482</u>	<u>\$ 4,201,314</u>

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

The City's Funds

Information about the City's governmental funds begins on page 19. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$7,855,192 and expenditures of \$9,308,075. The most significant fund is the General Fund with a year-end balance of \$3,150,300, which included an unreserved fund balance of \$2,997,622, compared to annual expenditures of \$4,130,123. While expenditures exceeded revenues by \$32,663, this excess plus a portion of the carryover balance was transferred from other funds

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 2003, the City amended its General Fund budget five times for a total increase in estimated revenues of \$903,993. All expenditures in excess of \$15,000, \$25,000 starting in September 2003, must go before Council for approval. Recommendations and requests for budget changes are referred to the

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

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 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. By ordinance, these funds are transferred from the General Fund to the special revenue funds for support and for match funding. For the General Fund, the original budgeted revenues were \$3,632,375 and the final budgeted amount was \$4,536,368. Of this \$903,993 difference, most was due to an increase in income taxes and transfers. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the General Fund by maintaining unreserved cash balance of \$2,736,434 at year-end due to more actual revenues coming into the City and less actual expenditures paid out by the City than the amounts budgeted for the year.

Capital Assets and Debt Administration

Capital Assets

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 1,289,984	\$ 1,129,439	\$ 52,000	\$ 52,000	\$ 1,341,984	\$ 1,181,439
Construction in progress	-	-	5,935,709	-	5,935,709	-
Buildings	3,190,142	3,280,084	4,247,431	4,368,455	7,437,573	7,648,539
Improvements other than buildings	789,807	843,028	33,632	36,803	823,439	879,831
Machinery and equipment	1,195,472	1,148,389	5,476,604	5,568,136	6,672,076	6,716,525
Vehicles	355,139	313,982	118,732	76,278	473,871	390,260
Infrastructure:						
Roads	9,362,869	7,392,469	-	-	9,362,869	7,392,469
Water lines	-	-	2,291,994	2,359,094	2,291,994	2,359,094
Sewer lines	-	-	1,787,918	1,947,512	1,787,918	1,947,512
Electric lines	-	-	1,295,917	1,333,799	1,295,917	1,333,799
<i>Total capital assets</i>	<u>\$ 16,183,413</u>	<u>\$ 14,107,391</u>	<u>\$ 21,239,937</u>	<u>\$ 15,742,077</u>	<u>\$ 37,423,350</u>	<u>\$ 29,849,468</u>

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

Total capital assets for the City of Amherst as of December 31, 2003 were \$37,423,350. The most significant additions were in Construction in Progress, \$5,935,709 (Water Pollution Control Center), and in roads \$1,970,400. See Note 7 to the basic financial statements for additional information.

The Water Pollution Control Center is scheduled for completion at the end of 2004. This project has been planned for a number of years and is finally near completion. It will bring the City into compliance with the Ohio Environment Protection Agency's standards.

Over the past four years, increases in utility rates in the sewer department were made in order to prepare for a major Ohio Water Development Authority loan for improvements to our wastewater treatment facility. In 2002, engineering was completed and the contract was let out for the construction in 2003, of a facility estimated at a cost of \$120,391,100. Engineering drawings, estimates and bidding had to be completed before the loan could be applied for.

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

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

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

Debt

On December 31, 2003, the City of Amherst had \$16,019,240 in bonds, loans, contractual commitments and notes outstanding with \$764,421 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding and compensated absences.

**Table 5
Outstanding Debt at Year End**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
General obligation bonds	\$ 2,948,000	\$ 2,781,000	\$ 4,770,000	\$ 5,075,000	\$ 7,718,000	\$ 7,856,000
Notes payable	-	285,000	1,865,000	2,005,000	1,865,000	2,290,000
OWDA loans	-	-	5,935,709	-	5,935,709	-
OWPC loans	85,996	12,500	96,324	102,966	182,320	115,466
Capital leases	69,720	101,509	54,264	79,118	123,984	180,627
Compensated absences	151,620	109,590	42,607	42,743	194,227	152,333
<i>Total</i>	<u>\$ 3,255,336</u>	<u>\$ 3,289,599</u>	<u>\$ 12,763,904</u>	<u>\$ 7,304,827</u>	<u>\$ 16,019,240</u>	<u>\$ 10,594,426</u>

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

For the governmental activities there were four general obligation bonds outstanding as of December 31, 2003. The Jackson and Quarry bridge bonds, which were originally issued for \$312,000 in 1979, have a balance of \$13,000 and will be paid off in December, 2004. The police and jail facility bonds, which were originally issued for \$3,000,000 in 1993, have a balance of \$2,195,000 as of December 31, 2003 and were defeased in January 2004. The capital purpose bonds, which were originally issued for \$545,000 in 1998, have a balance of \$445,000 as of December 31, 2003 and are to be paid off in December, 2018. The real estate acquisition bonds, which were issued for \$295,000 in 2003, are to be paid off in September, 2013.

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

For the business-type activities there are five general obligation bonds outstanding. The water capital purpose bonds, which were originally issued for \$1,165,000 in 1999, have a balance of \$960,000 as of December 31, 2003 and will be paid off in December, 2018. The sewer refunding bonds, which were originally issued for \$2,095,000 in 1993, have a balance of \$1,215,000 as of December 31, 2003 and were defeased in January 2004. The sewer capital purpose bonds, which were originally issued for \$835,000 in 1999, have a balance of \$690,000 as of December 31, 2003 and will be paid of in December, 2018. The electric refunding bonds, which were originally issued for \$1,265,000 in 1993, have a balance of \$735,000 as of December 31, 2003 and were defeased in January 2004. The electric capital purpose bonds, which were originally issued for \$1,455,000 in 1999, have a balance of \$1,170,000 as of December 31, 2003 and will be paid of in December, 2018.

The OPWC loans for sewer improvements were originally issued for \$88,698 in 1998. They are to be repaid in July, 2017. The capital leases are reported in the sewer fund and will be repaid with monies from that fund. All capital leases will be repaid by 2005. The long-term notes payable is for electric systems improvements through AMP-Ohio and annual payments are made until 2012 when the note will be paid in full.

During 2003, work was done on restructuring some of the City's long-term obligations. Interest rates were low and the City felt it needed to take advantage of those lower rates. The restructuring of the debt will be reported in the 2004 report as it was not officially completed for the 2003 fiscal year.

Please refer to Note 12 for information about the Note Debt; Note 13 for further information about Long-Term Obligations; and Note 14 for information about Capital Leases.

Current Financial Related Activities

The City of Amherst is currently in a positive cash position having a total cash balance of \$18,816,038 as of December 31, 2003. The major strength of the cash balance is in the Street Improvement Income Tax Fund and in the Enterprise Funds. Both of these areas continue to have extensive capital projects underway. Each year since its inception in 1999, the Street Improvement Income Tax Fund has financed an aggressive street improvement program. All bridges, with the exception of the Jackson Street Bridge, have been repaired and are in good working order. A second water tower has been added to the water distribution system; however a study is currently underway to determine pressure problems in the system that may have to be corrected. Water meters are currently being replaced. Work is progressing on the new Water Pollution Control Center which should be complete at the end of 2004.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

Economic Factors

The City of Amherst is situated on the western side of Lorain County, south of the City of Lorain, which is the largest city in the county. Amherst shares the southern half of Cooper Foster Road with Lorain on the northern side of the road. The City of Amherst is also within a one-hour drive of the major cities of Cleveland and Akron. The City of Amherst is traversed by two major limited-access highways, both east – west transportation links, and by two state routes. Interstate 90 has two entrances to Amherst. Interstate 80, the Ohio Turnpike, has plans to build a new exit at Route 58 but the time schedule for that has been repeatedly delayed. We are expecting some resolution to that issue in the near future. There had been a problem with purchasing the land necessary. That has been resolved and the project should go forward in the near future. Route 58 is one of the counties major north-south transportation links and Route 254 is another east-west artery. Other forms of transportation such as rail, lake shipping, and airfreight and passenger service are readily available, although not located within the City limits.

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.

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

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

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

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For The Year Ended December 31, 2003

administrative expenses and downtown business owners will apply for the remaining money to upgrade their buildings.

Contacting the City's Finance Department

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

Basic Financial Statements

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City of Amherst, Ohio

Statement of Net Assets

December 31, 2003

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,792,351	\$ 6,822,113	\$ 18,614,464
Restricted assets: Customer deposits	-	181,872	181,872
Accounts receivable	44,606	2,888,606	2,933,212
Intergovernmental receivable	547,585	-	547,585
Prepaid items	54,984	20,721	75,705
Supplies and materials inventory	140,319	281,976	422,295
Income taxes receivable	1,429,386	-	1,429,386
Property taxes receivable	1,216,472	-	1,216,472
Investment in joint venture	-	1,840,395	1,840,395
Non-depreciable capital assets	1,289,984	5,987,709	7,277,693
Depreciable capital assets, net	<u>14,893,429</u>	<u>15,252,228</u>	<u>30,145,657</u>
Total assets	<u>31,409,116</u>	<u>33,275,620</u>	<u>64,684,736</u>
Liabilities:			
Accounts payable	76,041	433,071	509,112
Contracts payable	7,457	1,165,715	1,173,172
Claims payable	62,963	-	62,963
Accrued wages and benefits	77,707	46,933	124,640
Intergovernmental payable	224,090	220,204	444,294
Internal balances	19,091	(19,091)	-
Accrued interest payable	12,309	21,240	33,549
Deferred revenue	1,190,402	-	1,190,402
Customer deposits	-	181,872	181,872
Long-term liabilities:			
Due within one year	261,517	502,904	764,421
Due in more than one year	<u>2,993,819</u>	<u>12,261,000</u>	<u>15,254,819</u>
Total liabilities	<u>4,925,396</u>	<u>14,813,848</u>	<u>19,739,244</u>
Net assets:			
Investment in capital assets, net of related debt	13,079,697	10,383,641	23,463,338
Restricted for:			
Capital Projects	6,029,078	-	6,029,078
Debt Service	395,556	-	395,556
Other purposes	1,072,223	-	1,072,223
Unreserved	<u>5,907,166</u>	<u>8,078,131</u>	<u>13,985,297</u>
Total net assets	<u>\$ 26,483,720</u>	<u>\$ 18,461,772</u>	<u>\$ 44,945,492</u>

The Notes to the Basic Financial Statements are an Integral Part of This Statement

City of Amherst, Ohio

Statement of Activities

For The Year Ended December 31, 2003

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,624,209	\$ 1,031,672	\$ 332,569	\$ 137,000
Security of persons and property	3,026,629	2,983	62,404	31,604
Public health and welfare	269,524	41,943	14,755	-
Transportation	1,632,491	-	435,207	27,784
Community development	348,226	-	134,291	-
Leisure time activities	324,696	62,154	168,472	28,075
Interest and fiscal charges	<u>151,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>7,377,578</u>	<u>1,138,752</u>	<u>1,147,698</u>	<u>224,463</u>
Business-type activities:				
Water	1,874,892	1,833,888	-	-
Sewer	2,084,577	2,632,408	-	-
Electric	<u>6,027,435</u>	<u>6,185,959</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>9,986,904</u>	<u>10,652,255</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,364,482</u>	<u>\$ 11,791,007</u>	<u>\$ 1,147,698</u>	<u>\$ 224,463</u>

General revenues:

Property taxes levied for:

 General purposes

 Debt service

 Capital projects

Municipal income taxes levied for:

 General purposes

 Capital projects

Grants and entitlements not restricted to
specific programs

Investment income

Miscellaneous income

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year, restated

Net assets at end of year

The Notes to the Basic Financial Statements are an Integral Part of This Statement

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business - Type Activities	Total
\$ (122,968)	\$ -	\$ (122,968)
(2,929,638)	-	(2,929,638)
(212,826)	-	(212,826)
(1,169,500)	-	(1,169,500)
(213,935)	-	(213,935)
(65,995)	-	(65,995)
<u>(151,803)</u>	<u>-</u>	<u>(151,803)</u>
<u>(4,866,665)</u>	<u>-</u>	<u>(4,866,665)</u>
-	(41,004)	(41,004)
-	547,831	547,831
<u>-</u>	<u>158,524</u>	<u>158,524</u>
<u>-</u>	<u>665,351</u>	<u>665,351</u>
<u>(4,866,665)</u>	<u>665,351</u>	<u>(4,201,314)</u>
570,753	-	570,753
188,109	-	188,109
235,400	-	235,400
2,048,667	-	2,048,667
1,817,627	-	1,817,627
491,904	-	491,904
286,316	-	286,316
164,061	11,820	175,881
<u>293,000</u>	<u>(293,000)</u>	<u>-</u>
<u>6,095,837</u>	<u>(281,180)</u>	<u>5,814,657</u>
1,229,172	384,171	1,613,343
<u>25,254,548</u>	<u>18,077,601</u>	<u>43,332,149</u>
\$ <u>26,483,720</u>	\$ <u>18,461,772</u>	\$ <u>44,945,492</u>

City of Amherst, Ohio

Balance Sheet Governmental Funds

December 31, 2003

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Street Improvement Income Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 2,928,491	\$ 419,994	\$ 4,379,448	\$ 3,791,307	\$ 11,519,240
Accounts receivable	6,449	-	-	38,157	44,606
Interfund receivable	1,118	-	53,795	-	54,913
Intergovernmental receivable	311,781	180,260	-	55,544	547,585
Prepaid items	41,886	10,713	-	2,385	54,984
Supplies and materials inventory	116,175	24,144	-	-	140,319
Income taxes receivable	900,513	-	528,873	-	1,429,386
Property taxes receivable	<u>780,140</u>	<u>-</u>	<u>-</u>	<u>436,332</u>	<u>1,216,472</u>
Total assets	\$ <u>5,086,553</u>	\$ <u>635,111</u>	\$ <u>4,962,116</u>	\$ <u>4,323,725</u>	\$ <u>15,007,505</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 22,644	\$ 21,687	\$ 675	\$ 31,035	\$ 76,041
Contracts payable	1,900	-	-	5,557	7,457
Accrued wages and benefits	54,473	19,755	-	3,479	77,707
Intergovernmental payable	2,039	85	-	50	2,174
Interfund payable	18,833	82	-	55,089	74,004
Deferred revenue	<u>1,836,364</u>	<u>151,104</u>	<u>461,441</u>	<u>475,517</u>	<u>2,924,426</u>
Total liabilities	<u>1,936,253</u>	<u>192,713</u>	<u>462,116</u>	<u>570,727</u>	<u>3,161,809</u>
Fund balances:					
Reserve for encumbrances	152,678	12,140	657,146	1,225,249	2,047,213
Unreserved:					
Undesignated, reported in:					
General fund	2,997,622	-	-	-	2,997,622
Special revenue funds	-	430,258	-	1,799,954	2,230,212
Debt service fund	-	-	-	395,556	395,556
Capital projects funds	<u>-</u>	<u>-</u>	<u>3,842,854</u>	<u>332,239</u>	<u>4,175,093</u>
Total fund balances	<u>3,150,300</u>	<u>442,398</u>	<u>4,500,000</u>	<u>3,752,998</u>	<u>11,845,696</u>
Total liabilities and fund balances	\$ <u>5,086,553</u>	\$ <u>635,111</u>	\$ <u>4,962,116</u>	\$ <u>4,323,725</u>	\$ <u>15,007,505</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

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

December 31, 2003

Total Governmental Funds balances \$ 11,845,696

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 16,183,413

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

Delinquent property taxes	\$ 26,070	
Municipal income taxes	1,247,138	
Intergovernmental	<u>460,816</u>	
Total		1,734,024

An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 210,148

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (12,309)

Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and, therefore, not reported in the funds (221,916)

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

General Obligation Bonds	(2,948,000)	
OPWC loans	(85,996)	
Capital Leases	(69,720)	
Compensated Absences	<u>(151,620)</u>	
Total		<u>(3,255,336)</u>

Net Assets of Governmental Activities \$ 26,483,720

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

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

For The Year Ended December 31, 2003

	General	Street Construction, Maintenance and Repair	Street Improvement Income Tax	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 568,266	\$ -	\$ -	\$ 423,509	\$ 991,775
Municipal income taxes	1,971,320	-	1,817,627	-	3,788,947
Intergovernmental	517,317	346,934	-	861,152	1,725,403
Charges for services	95,478	-	-	219,494	314,972
Fees, licenses and permits	417,100	-	-	2,983	420,083
Contributions and donations	136,000	-	-	28,205	164,205
Investment income	282,166	-	-	4,150	286,316
Rental income	-	-	-	28,185	28,185
Reimbursements	-	-	-	12,975	12,975
Miscellaneous income	109,813	6,212	-	6,306	122,331
Total revenues	<u>4,097,460</u>	<u>353,146</u>	<u>1,817,627</u>	<u>1,586,959</u>	<u>7,855,192</u>
Expenditures:					
Current:					
General government	901,556	-	-	279,496	1,181,052
Security of persons and property	2,571,954	-	-	90,397	2,662,351
Public health and welfare	117,581	-	-	148,625	266,206
Transportation	-	997,641	-	31,860	1,029,501
Community development	205,230	-	-	139,546	344,776
Leisure time activities	-	-	-	193,476	193,476
Capital outlay	327,794	-	1,923,146	1,095,498	3,346,438
Debt service:					
Principal retirement	-	-	5,000	128,000	133,000
Interest and fiscal charges	6,008	-	-	145,267	151,275
Total expenditures	<u>4,130,123</u>	<u>997,641</u>	<u>1,928,146</u>	<u>2,252,165</u>	<u>9,308,075</u>
Excess of revenues over (under) expenditures	<u>(32,663)</u>	<u>(644,495)</u>	<u>(110,519)</u>	<u>(665,206)</u>	<u>(1,452,883)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	440	-	-	-	440
Debt proceeds	295,000	-	-	78,496	373,496
Transfers in	466,688	-	-	360,000	826,688
Transfers out	(60,000)	-	-	(473,688)	(533,688)
Total other financing sources (uses)	<u>702,128</u>	<u>-</u>	<u>-</u>	<u>(35,192)</u>	<u>666,936</u>
Net change in fund balances	669,465	(644,495)	(110,519)	(700,398)	(785,947)
Fund balance at beginning of year, restated	<u>2,480,835</u>	<u>1,086,893</u>	<u>4,610,519</u>	<u>4,453,396</u>	<u>12,631,643</u>
Fund balance at end of year	<u>\$ 3,150,300</u>	<u>\$ 442,398</u>	<u>\$ 4,500,000</u>	<u>\$ 3,752,998</u>	<u>\$ 11,845,696</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

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, 2003

Net Change in Fund Balances - Total Governmental Funds \$ (785,947)

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

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

Capital asset additions	\$ 2,782,725	
Depreciation	<u>(706,703)</u>	
Total		2,076,022

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

Delinquent property taxes	2,487	
Municipal income taxes	77,347	
Intergovernmental	<u>(25,413)</u>	
Total		54,421

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 164,789

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to proceeds of bonds. (373,496)

Some expenses reported in 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	(42,030)	
Intergovernmental	(58,520)	
Accrued interest on bonds	<u>(528)</u>	
Total		(101,078)

The Internal Service Fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide Statements of Activities. Governmental expenditures and related Internal Service Fund revenues are eliminated. The net revenue (expense) of the Internal Service Fund is allocated among the Governmental Activities. 194,461

Change in Net Assets of Governmental Activities \$ 1,229,172

The Notes to the Basic Financial Statements are an Integral Part of this Statement

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 654,933	\$ 654,933	\$ 708,680	\$ 53,747
Municipal income taxes	1,401,033	1,793,000	1,813,594	20,594
Intergovernmental	441,308	569,330	584,776	15,446
Charges for services	72,061	92,966	95,488	2,522
Fees, licenses and permits	313,975	405,058	416,047	10,989
Contributions and donations	102,634	132,408	136,000	3,592
Interest	219,884	283,671	291,367	7,696
Miscellaneous	81,950	105,724	108,592	2,868
Total revenues	<u>3,287,778</u>	<u>4,037,090</u>	<u>4,154,544</u>	<u>117,454</u>
Expenditures:				
Current operations and maintenance:				
General government	1,482,509	1,592,610	1,277,383	315,227
Security of persons and property	3,023,908	3,128,768	2,693,032	435,736
Public health and welfare	61,733	73,050	54,978	18,072
Community development	232,640	262,994	207,183	55,811
Total expenditures	<u>4,800,790</u>	<u>5,057,422</u>	<u>4,232,576</u>	<u>824,846</u>
Excess of revenues over (under) expenditures	<u>(1,513,012)</u>	<u>(1,020,332)</u>	<u>(78,032)</u>	<u>942,300</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	440	440
Debt proceeds	-	-	580,000	580,000
Transfers in	244,597	399,278	399,278	-
Advances in	100,000	100,000	100,000	-
Transfers out	(875,518)	(848,706)	(570,000)	278,706
Total other financing sources (uses)	<u>(530,921)</u>	<u>(349,428)</u>	<u>509,718</u>	<u>859,146</u>
Net change in fund balance	(2,043,933)	(1,369,760)	431,686	1,801,446
Fund balance at beginning of year	2,220,054	2,220,054	2,220,054	-
Prior year encumbrances appropriated	84,694	84,694	84,694	-
Fund balance at end of year	\$ <u>260,815</u>	\$ <u>934,988</u>	\$ <u>2,736,434</u>	\$ <u>1,801,446</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

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

Street Construction, Maintenance and Repair Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 946,881	\$ 312,000	\$ 347,003	\$ 35,003
Miscellaneous	<u>16,951</u>	<u>19,000</u>	<u>6,212</u>	<u>(12,788)</u>
Total revenues	<u>963,832</u>	<u>331,000</u>	<u>353,215</u>	<u>22,215</u>
Expenditures:				
Current operations and maintenance:				
Transportation	<u>1,095,112</u>	<u>1,133,280</u>	<u>981,083</u>	<u>152,197</u>
Net change in fund balance	(131,280)	(802,280)	(627,868)	174,412
Fund balance at beginning of year	987,247	987,247	987,247	-
Prior year encumbrances appropriated	<u>32,153</u>	<u>32,153</u>	<u>32,153</u>	<u>-</u>
Fund balance at end of year	\$ <u>888,120</u>	\$ <u>217,120</u>	\$ <u>391,532</u>	\$ <u>174,412</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2003

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Electric	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 705,430	\$ 3,151,831	\$ 2,964,852	\$ 6,822,113	\$ 273,111
Restricted assets:					
Customer deposits	58,134	20,496	103,242	181,872	-
Accounts receivable	303,164	1,559,102	1,026,340	2,888,606	-
Interfund receivable	601	19,284	-	19,885	-
Prepaid items	4,611	7,989	8,121	20,721	-
Supplies and materials inventory	38,688	24,126	219,162	281,976	-
Total current assets	1,110,628	4,782,828	4,321,717	10,215,173	273,111
Noncurrent assets:					
Investment in joint venture	-	-	1,840,395	1,840,395	-
Non-depreciable capital assets	45,000	5,935,709	7,000	5,987,709	-
Depreciable capital assets, net	3,716,986	8,340,855	3,194,387	15,252,228	-
Total noncurrent assets	3,761,986	14,276,564	5,041,782	23,080,332	-
Total assets	4,872,614	19,059,392	9,363,499	33,295,505	273,111
Liabilities:					
Current liabilities:					
Accounts payable	18,834	41,650	372,587	433,071	-
Contracts payable	-	1,165,715	-	1,165,715	-
Claims payable	-	-	-	-	62,963
Accrued wages and benefits	9,216	19,340	18,377	46,933	-
Intergovernmental payable	143,970	34,938	41,296	220,204	-
Interfund payable	67	601	126	794	-
Accrued interest payable	3,479	7,823	9,938	21,240	-
Compensated absences payable	738	1,230	2,951	4,919	-
Capital leases payable	-	26,343	-	26,343	-
General obligation bonds payable	45,000	145,000	125,000	315,000	-
AMP-Ohio notes payable	-	-	150,000	150,000	-
OPWC loan payable	-	6,642	-	6,642	-
Payable from restricted assets:					
Customer deposits	58,134	20,496	103,242	181,872	-
Total current liabilities	279,438	1,469,778	823,517	2,572,733	62,963
Long-term liabilities (net of current portion):					
Compensated absences payable	6,368	18,665	12,656	37,689	-
Capital lease payable	-	27,921	-	27,921	-
OWDA loans payable	-	5,935,709	-	5,935,709	-
General obligation bonds payable	915,000	1,760,000	1,780,000	4,455,000	-
AMP-Ohio notes payable	-	-	1,715,000	1,715,000	-
OPWC loans payable	-	89,681	-	89,681	-
Total long-term liabilities	921,368	7,831,976	3,507,656	12,261,000	-
Total liabilities	1,200,806	9,301,754	4,331,173	14,833,733	62,963
Net assets:					
Invested in capital assets, net of related debt	2,801,986	6,285,268	1,296,387	10,383,641	-
Unrestricted	869,822	3,472,370	3,735,939	8,078,131	210,148
Total net assets	\$ 3,671,808	\$ 9,757,638	\$ 5,032,326	\$ 18,461,772	\$ 210,148

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

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

For The Year Ended December 31, 2003

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Electric	Total	Self Insurance
Operating Revenues:					
Charges for services	\$ 1,833,888	\$ 2,632,408	\$ 6,185,959	\$ 10,652,255	\$ 911,211
Reimbursements	1,747	2,962	7,111	11,820	-
Total operating revenues	<u>1,835,635</u>	<u>2,635,370</u>	<u>6,193,070</u>	<u>10,664,075</u>	<u>911,211</u>
Operating Expenses:					
Personal services	539,035	785,055	950,578	2,274,668	-
Supplies and materials	133,992	153,518	212,559	500,069	-
Contractual services	1,042,596	726,843	4,462,466	6,231,905	253,252
Depreciation	115,908	297,064	165,867	578,839	-
Claims	-	-	-	-	463,498
Total operating expenses	<u>1,831,531</u>	<u>1,962,480</u>	<u>5,791,470</u>	<u>9,585,481</u>	<u>716,750</u>
Operating income	<u>4,104</u>	<u>672,890</u>	<u>401,600</u>	<u>1,078,594</u>	<u>194,461</u>
Non-operating expenses:					
Interest and fiscal charges	(43,361)	(99,449)	(138,265)	(281,075)	-
Loss in investment of joint venture	-	-	(97,700)	(97,700)	-
Loss on disposal of capital assets	-	(22,648)	-	(22,648)	-
Total non-operating expenses	<u>(43,361)</u>	<u>(122,097)</u>	<u>(235,965)</u>	<u>(401,423)</u>	<u>-</u>
Income (loss) before transfers	(39,257)	550,793	165,635	677,171	194,461
Transfers out	-	(293,000)	-	(293,000)	-
Change in net assets	(39,257)	257,793	165,635	384,171	194,461
Net assets beginning of year, restated	<u>3,711,065</u>	<u>9,499,845</u>	<u>4,866,691</u>	<u>18,077,601</u>	<u>15,687</u>
Net assets end of year	\$ <u><u>3,671,808</u></u>	\$ <u><u>9,757,638</u></u>	\$ <u><u>5,032,326</u></u>	\$ <u><u>18,461,772</u></u>	\$ <u><u>210,148</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

Statement of Cash Flows Proprietary Fund

For The Year Ended December 31, 2003

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Total</u>	<u>Governmental Activities- Internal Service Fund</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 1,829,120	\$ 2,304,086	\$ 6,209,886	\$ 10,343,092	\$ -
Deposits received	8,000	3,070	15,690	26,760	-
Deposits returned	(8,760)	(3,325)	(18,279)	(30,364)	-
Cash received from transactions with other funds	-	-	-	-	910,610
Cash received from other operating sources	1,778	73,040	7,111	81,929	-
Cash payments to suppliers for goods and services	(1,249,396)	(634,591)	(4,631,742)	(6,515,729)	(253,253)
Cash payments for claims	-	-	-	-	(518,920)
Cash payments for employee services and benefits	(392,917)	(741,940)	(904,819)	(2,039,676)	-
Net cash provided by operating activities	<u>187,825</u>	<u>1,000,340</u>	<u>677,847</u>	<u>1,866,012</u>	<u>138,437</u>
Cash flows from noncapital financing activities:					
Transfers out	-	(293,000)	-	(293,000)	-
Cash flows from capital and related financing activities:					
Loan Proceeds	-	5,935,709	-	5,935,709	-
Acquisition of capital assets	(23,500)	(5,977,771)	(98,076)	(6,099,347)	-
Principal paid	(45,000)	(166,496)	(265,000)	(476,496)	-
Interest paid	(43,453)	(99,849)	(138,404)	(281,706)	-
Net cash used for capital and related financing activities	<u>(111,953)</u>	<u>(308,407)</u>	<u>(501,480)</u>	<u>(921,840)</u>	<u>-</u>
Net increase in cash and cash equivalents	75,872	398,933	176,367	651,172	138,437
Cash and cash equivalents, beginning of year	<u>687,692</u>	<u>2,773,394</u>	<u>2,891,727</u>	<u>6,352,813</u>	<u>134,674</u>
Cash and cash equivalents, end of year	\$ <u><u>763,564</u></u>	\$ <u><u>3,172,327</u></u>	\$ <u><u>3,068,094</u></u>	\$ <u><u>7,003,985</u></u>	\$ <u><u>273,111</u></u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 4,104	\$ 672,890	\$ 401,600	\$ 1,078,594	\$ 194,461
Adjustments:					
Depreciation	115,908	297,064	165,867	578,839	-
(Increase)/decrease in assets:					
Accounts receivable	3,984	(1,160,450)	42,206	(1,114,260)	-
Interfund receivable	8	(18,568)	-	(18,560)	-
Prepaid items	(796)	(4,623)	(143)	(5,562)	-
Materials and supplies inventory	(7,198)	(5,178)	12,561	185	-
Increase/(decrease) in liabilities:					
Accounts payable	16,746	35,784	35,400	87,930	(601)
Contracts payable	-	1,165,715	-	1,165,715	-
Claims payable	-	-	-	-	(55,423)
Accrued wages and benefits	1,805	6,134	6,984	14,923	-
Intergovernmental payable	52,938	9,543	15,966	78,447	-
Interfund payable	(17)	(14)	(73)	(104)	-
Compensated absences payable	343	2,043	(2,521)	(135)	-
Net cash provided by operating activities	\$ <u><u>187,825</u></u>	\$ <u><u>1,000,340</u></u>	\$ <u><u>677,847</u></u>	\$ <u><u>1,866,012</u></u>	\$ <u><u>138,437</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2003

	Private Purpose Trust <u>Cemetery</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 4,036	\$ 9,544
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>6,122</u>
Total assets	4,036	\$ <u><u>15,666</u></u>
Liabilities:		
Deposits held and due to others	<u>-</u>	\$ <u><u>15,666</u></u>
Net assets:		
Held in trust for cemetery	\$ <u><u>4,036</u></u>	

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Funds

For The Year Ended December 31, 2003

	<u>Private Purpose Trust Cemetery</u>
Additions:	
Interest	\$ 65
Deduction	<u> 80</u>
Change in net assets	(15)
Net assets beginning of year	<u> 4,051</u>
Net assets end of year	\$ <u><u> 4,036</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

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.

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

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

The City is associated with the Lorain County General Health District, a jointly governed organization, and the Sandstone Joint Ambulance District and the Ohio Municipal Electric Generation Agency (JV2) joint ventures. These organizations are discussed in Notes 16 and 17 of the basic financial statements.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of Amherst have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City’s accounting policies are described below.

A. Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

General Fund

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

Street Construction Maintenance and Repair Fund

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

Street Improvement Income Tax Capital Projects Fund

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

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

Proprietary Funds

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

Enterprise Funds

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

Water Fund

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

Sewer Fund

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

Electric Fund

The Electric Fund accounts for the provision of electric light and power service to the residents and commercial users located within the City.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Internal Service

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue 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. Available period for the City is thirty-one days after year-end.

Non-exchange 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 non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

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

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents

During 2003, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2003 amounted to \$282,166 which includes \$242,940 assigned from other City funds.

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

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis and are 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, 2003, 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 assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

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 values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water, sewer and electric lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

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

O. Net Assets

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

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

P. Operating Revenues and Expenses

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

Q. Interfund Activity

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

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

S. Estimates

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

Note 3: Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 3: Budgetary Basis of Accounting (continued)

5. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the street construction, maintenance and repair special revenue fund.

Net Change in Fund Balance

	<u>General</u>	<u>Street Construction Maintenance and Repair</u>
GAAP Basis	\$ 669,465	\$ (644,495)
Net adjustment for revenue accruals	11,423	69
Note proceeds	285,000	-
Advances in	100,000	-
Fair value adjustment for investments	(22,867)	-
Interfund receivable	1,118	-
Net adjustment for expenditures	(442,145)	45,020
Encumbrances	<u>(170,308)</u>	<u>(28,462)</u>
Budget Basis	\$ <u>431,686</u>	\$ <u>(627,868)</u>

Note 4: Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 4: Deposits and Investments (continued)

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
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. 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; and,
6. The State Treasurer's investment pool (STAROhio).

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

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

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 4: Deposits and Investments (continued)

Deposits

At year end, the carrying amount of the City's deposits was \$10,269,044 and the bank balance was \$11,169,337 of the bank balance:

1. \$200,000 was covered by the federal depository insurance;
2. \$10,969,337 was uncollateralized and uninsured. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

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

<u>Description</u>	<u>Risk Category</u> 3	<u>Fair Value</u>
Federal Home Loan Mortgage Corp. Notes	\$ 2,000,000	\$ 2,000,000
Federal Home Loan Bank Notes	3,500,000	3,500,000
Federal National Mortgage Assn. Notes	1,000,000	1,000,000
Federal Farm Credit Bank Note	500,000	500,000
STAROhio	-	1,546,994
Total Investments	<u>\$ 7,000,000</u>	<u>\$ 8,546,994</u>

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less. Reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and</u> <u>Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 18,816,038	\$ -
Investments:		
Federal Home Loan Mortgage Corp. Notes	(2,000,000)	2,000,000
Federal Home Loan Bank Notes	(3,500,000)	3,500,000
Federal National Mortgage Assn. Notes	(1,000,000)	1,000,000
Federal Farm Credit Bank Note	(500,000)	500,000
STAROhio	<u>(1,546,994)</u>	<u>1,546,994</u>
GASB Statement No. 3	<u>\$ 10,269,044</u>	<u>\$ 8,546,994</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 5: Receivables

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

A. Property Tax

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003 on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes which became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2003, was \$5.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 242,214,990
Public Utility	3,944,970
Tangible Personal	<u>17,418,620</u>
Total	\$ <u>263,578,580</u>

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

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

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 5: Receivables (continued)

A. Property Tax (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the general, general obligation bond retirement and the fire apparatus levy funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collections of delinquent taxes during the available period are 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 deferred.

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 the 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	\$ 397,139
Inheritance estate tax	59,591
Homestead and rollback	77,444
Grants	9,904
Liquor and beer permits	<u>3,507</u>
Total	<u>\$ 547,585</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2003, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>			<u>Total</u>
	<u>General</u>	<u>Sewer</u>	<u>Nonmajor</u>	
General	\$ -	\$ -	\$ 466,688	\$ 466,688
Nonmajor	<u>60,000</u>	<u>293,000</u>	<u>7,000</u>	<u>360,000</u>
Total	<u>\$ 60,000</u>	<u>\$ 293,000</u>	<u>\$ 473,688</u>	<u>\$ 826,688</u>

The General Fund transfers to the Nonmajor governmental funds were made to provide additional resources for current operations, and to meet matching fund requirements for some grants. The Sewer Fund transferred monies to the Issue II Fund for various sewer projects. The Nonmajor Planning Commission Fund transferred monies to the General Fund to correct a prior year mistake. This transfer was approved by the State Board of Tax Appeal in 2003. Money collected in the Planning Commission Fund for Park Impact fees were transferred to the Park Fund. The Nonmajor CHIP grant transferred monies to the General Fund to return funds received in a prior year that were not used.

B. As of December 31, 2003, interfund balances were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 1,118
Street Improvement Income Tax	Nonmajor Governmental Funds	53,795
Water	Sewer	601
Sewer	General	18,833
Sewer	Street Construction, Maintenance and Repair	82
Sewer	Nonmajor Governmental Funds	176
Sewer	Water	67
Sewer	Electric	126
		<u>\$ 74,798</u>

Interfund receivable/payable balances at December 31, 2003, consisted of utility bills to the Sewer Fund from the General, Street Construction, Maintenance, and Repair, Parks and Pool, and Office of Aging funds; an advance to Issue II for a street construction project payable back to Street Improvement Income Tax Fund; and an advance from the General Fund to the Bullet Proof Vest Fund to cover a cash deficit.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Balances</u> <u>12-31-02</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>12-31-03</u>
Governmental activities					
Nondepreciable assets:					
Land	\$ <u>1,129,439</u>	\$ <u>160,545</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,289,984</u>
Depreciable assets:					
Buildings	4,319,135	13,408	-	5,319	4,337,862
Improvements other than buildings	1,024,214	-	-	(5,319)	1,018,895
Machinery and equipment	1,737,982	186,913	-	-	1,924,895
Vehicles	1,493,607	128,111	-	-	1,621,718
Infrastructure:					
Roads	<u>10,358,185</u>	<u>2,293,748</u>	<u>-</u>	<u>-</u>	<u>12,651,933</u>
Total depreciable assets	<u>18,933,123</u>	<u>2,622,180</u>	<u>-</u>	<u>-</u>	<u>21,555,303</u>
Less accumulated depreciation:					
Buildings and improvements	(1,039,051)	(108,669)	-	-	(1,147,720)
Improvements other than buildings	(181,186)	(47,902)	-	-	(229,088)
Machinery and equipment	(589,593)	(139,830)	-	-	(729,423)
Vehicles	(1,179,625)	(86,954)	-	-	(1,266,579)
Infrastructure:					
Roads	<u>(2,965,716)</u>	<u>(323,348)</u>	<u>-</u>	<u>-</u>	<u>(3,289,064)</u>
Total accumulated depreciation	<u>(5,955,171)</u>	<u>(706,703)</u>	<u>-</u>	<u>-</u>	<u>(6,661,874)</u>
Total depreciable assets, net	<u>12,977,952</u>	<u>1,915,477</u>	<u>-</u>	<u>-</u>	<u>14,893,429</u>
Governmental activities capital assets, net	\$ <u>14,107,391</u>	\$ <u>2,076,022</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>16,183,413</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 7: Capital Assets (continued)

	Balances 12-31-02	Restated	Balance 12-31-02 Restated	Additions	Disposals	Balance 12-31-03
Business-type activities						
Nondepreciable assets:						
Land	\$ 52,000	\$ -	\$ 52,000	\$ -	\$ -	\$ 52,000
Construction in progress	-	-	-	5,935,709	-	5,935,709
Total nondepreciable Assets	52,000	-	52,000	5,935,709	-	5,987,709
Depreciable assets:						
Buildings	5,620,434	-	5,620,434	-	(36,560)	5,583,874
Improvements other than buildings	63,424	-	63,424	-	-	63,424
Machinery and equipment	6,611,780	1,000,000	7,611,780	65,562	(8,289)	7,669,053
Vehicles	519,943	-	519,943	73,770	-	593,713
Infrastructure:						
Water lines	3,793,515	-	3,793,515	-	-	3,793,515
Sewer lines	4,010,666	186,412	4,197,078	-	-	4,197,078
Electric lines	1,678,431	-	1,678,431	24,306	-	1,702,737
Total depreciable assets	22,298,193	1,186,412	23,484,605	163,638	(44,849)	23,603,394
Less accumulated depreciation:						
Buildings and improvements	(1,251,979)	-	(1,251,979)	(103,833)	19,369	(1,336,443)
Improvements other than buildings	(26,621)	-	(26,621)	(3,171)	-	(29,792)
Machinery and equipment	(2,043,644)	-	(2,043,644)	(151,637)	2,832	(2,192,449)
Vehicles	(443,665)	-	(443,665)	(31,316)	-	(474,981)
Infrastructure:						
Water lines	(1,434,421)	-	(1,434,421)	(67,100)	-	(1,501,521)
Sewer lines	(1,788,574)	(460,992)	(2,249,566)	(159,594)	-	(2,409,160)
Electric lines	(344,632)	-	(344,632)	(62,188)	-	(406,820)
Total accumulated depreciation	(7,333,536)	(460,992)	(7,794,528)	(578,839)	22,201	(8,351,166)
Total depreciable assets, net	14,964,657	725,420	15,690,077	(426,848)	(22,648)	15,252,228
Business-type activities capital assets, net	\$ 15,016,657	\$ 725,420	\$ 15,742,077	\$ 5,520,508	\$ (22,648)	\$ 21,239,937

*Depreciation expense was charged to governmental activities as follows:

General government	\$ 63,278
Security of persons and property	229,167
Public health and welfare	4,114
Transportation	394,328
Community development	1,069
Leisure time activities	14,747
Total depreciation expense	\$ 706,703

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

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 thereon.
- The combined plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the combined plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

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

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the traditional plan. City employees are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2003 employer contribution rate for the City was 13.55 percent of covered payroll. The City’s contributions to the OPERS for the years ended December 31, 2003, 2002 and 2001 were \$372,435, \$236,189, and \$253,156, respectively. The full amount has been contributed for 2002 and 2001. 77.7 percent has been contributed for in 2003, with the remainder being presented as “intergovernmental payable” in the governmental activities column of the statement of net assets.

B. Ohio Police and Fire Pension Fund

The City of Amherst contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 8: Pension Plans (continued)

Police are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police. Contributions are authorized by State statute. The City's contributions to the OP&F for police for the years ended December 31, 2003, 2002, and 2001 were \$159,300, \$179,986, and \$114,384, respectively. The full amount has been contributed for 2002 and 2001. 70 percent, has been contributed for 2003 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

C. Social Security System

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

Note 9: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 and 2002 employer contribution rate was 13.55 percent of covered payroll, of which 5.0 percent was used to fund health care for both years.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually.

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

The number of active contributing participants was 364,881. The City's actual contributions for 2003 which were used to fund postemployment benefits were \$137,429. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$18.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$10.0 billion and \$8.7 billion, respectively.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 9: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003 and 2002. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$63,242 for police. The OP&F's total health care expenses for the year ended December 31, 2002, (the latest information available) were \$144,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

Note 10: Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees 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.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

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 2003, the City contracted with a private insurance carrier for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property	Arrowhead Public Risk	\$ 33,652,423
General liability	Arrowhead Public Risk	1 million per occurrence
	Arrowhead Public Risk	2 million general aggregate
Automobile fleet liability	Arrowhead Public Risk	1 million per occurrence
Stop gap liability	Arrowhead Public Risk	1 million per occurrence
Employee benefits liability	Arrowhead Public Risk	1 million
Employment practices liability	Arrowhead Public Risk	1 million annual aggregate
Police professional	Arrowhead Public Risk	1 million/ 3 million
Public officials liability	Arrowhead Public Risk	1 million/1 million
Umbrella liability	Arrowhead Public Risk	8 million

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

B. Workers' Compensation

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

C. Medical

The City has elected to provide employees' major medical, hospitalization, prescription, and dental coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Employees who are members of the AFSCME union also receive vision coverage. Patrolmen were given vision coverage through AFSCME in addition to union members. All are subject to the deductible. The third party administrators review and pay all claims on behalf of the City. Covered employees are in a traditional medical plan with a \$200-per-year individual deductible and a \$400-per-year family deductible. The dental plan has a \$50-per-year individual deductible and a \$150-per-year family deductible. The City purchases a stop-loss insurance policy with coverage of \$227,077 in aggregate for all employees.

The claims liability of \$62,963, reported in the self-insurance fund at December 31, 2003, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 11: Risk Management (continued)

C. Medical (continued)

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2002	\$ 102,908	\$ 643,200	\$ 627,722	\$ 118,386
2003	118,386	463,497	518,920	62,963

Note 12: Note Debt

The City's note activity, including amounts outstanding and interest rates is as follows:

	Outstanding <u>12/31/02</u>	<u>Additions</u>	<u>Deletions</u>	Outstanding <u>12/31/03</u>
Governmental Activities				
2002 6.00% real estate acquisition	\$ 285,000	\$ -	\$ 285,000	\$ -
2003 6.00% real estate acquisition	-	<u>285,000</u>	<u>285,000</u>	-
Total	\$ <u>285,000</u>	\$ <u>285,000</u>	\$ <u>570,000</u>	\$ <u>-</u>

The real estate acquisition notes are for purchasing additional land in order to expand the current park system along the lakeshore. The note was replaced with a real estate acquisition bond in the current year.

Note 13: Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds				
Jackson and Quarry bridge various	1979	7.00%	\$ 312,000	12/1/04
Police and Jail facility	1993	7.00	3,000,000	12/1/18
Capital purpose	1998	3.50-4.55	545,000	12/1/18
Real estate acquisition bonds	2003	2.50-4.625	295,000	12/1/13
Water capital purpose bonds	1999	4.55	1,165,000	12/1/18
Sewer refunding bonds	1993	5.36	2,095,000	12/1/12
Sewer capital purpose bonds	1999	4.55	835,000	12/1/18
Electric refunding bonds	1993	5.36	1,265,000	12/1/12
Electric capital purpose bonds	1999	4.55	1,455,000	12/1/18

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 13: Long-Term Obligations (continued)

Notes	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Amp-Ohio Electric System improvement notes	2000	1.60%	\$ 2,200,000	12/31/20
OWPC Loans				
Quarry Road Bridge	2000	0.00	25,000	7/1/05
Milan Avenue	2004	0.00	78,496	1/1/24
Church Street	1997	0.00	44,150	7/1/17
Martin Avenue	1998	0.00	88,698	1/1/19
OWDA Loans	2004	3.65	5,935,709	7/1/24

A schedule of changes in bonds and other long-term obligations of the City during 2003 follows:

	<u>Amount Outstanding 12/31/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Amount Outstanding 12/31/03</u>	<u>Amounts Due in One Year</u>
Governmental Activities					
General Obligation Bonds:					
Jackson and Quarry bridge various	\$ 26,000	\$ -	\$ 13,000	\$ 13,000	\$ 13,000
Police and Jail facility	2,290,000	-	95,000	2,195,000	100,000
Capital purpose	465,000	-	20,000	445,000	20,000
Real estate acquisition	-	295,000	-	295,000	25,000
Total general obligation bonds	<u>2,781,000</u>	<u>295,000</u>	<u>128,000</u>	<u>2,948,000</u>	<u>158,000</u>
OWPC loans	12,500	78,496	5,000	85,996	6,962
Capital leases	101,509	-	31,789	69,720	33,521
Compensated absences	109,590	151,620	109,590	151,620	63,034
Total governmental long-term liabilities	\$ <u>3,004,599</u>	\$ <u>525,116</u>	\$ <u>274,379</u>	\$ <u>3,255,336</u>	\$ <u>261,517</u>
Business-Type Activities					
General Obligation Bonds:					
Water capital purpose bonds	\$ 1,005,000	\$ -	\$ 45,000	\$ 960,000	\$ 45,000
Sewer refunding bonds	1,320,000	-	105,000	1,215,000	110,000
Sewer capital purpose bonds	720,000	-	30,000	690,000	35,000
Electric refunding bonds	800,000	-	65,000	735,000	65,000
Electric capital purpose bonds	1,230,000	-	60,000	1,170,000	60,000
Total general obligation bonds	<u>5,075,000</u>	<u>-</u>	<u>305,000</u>	<u>4,770,000</u>	<u>315,000</u>
Amp-Ohio Electric System improvement notes	2,005,000	-	140,000	1,865,000	150,000
OWDA loan	-	5,935,709	-	5,935,709	-
OWPC loans	102,966	-	6,642	96,324	6,642
Capital leases	79,118	-	24,854	54,264	26,344
Compensated absences	42,743	42,607	42,743	42,607	4,918
Total business-type long-term liabilities	\$ <u>7,304,827</u>	\$ <u>5,978,316</u>	\$ <u>519,239</u>	\$ <u>12,763,904</u>	\$ <u>502,904</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 13: Long-Term Obligations (continued)

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

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

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

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

The City's overall legal debt margin was \$25,123,307 at December 31, 2003. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

	Governmental Activities					
	General Obligation Bonds		OPWC	Totals		
	Principal	Interest	Loans	Principal	Interest	
2004	\$ 158,000	\$ 147,708	\$ 6,962	\$ 164,962	\$ 147,708	
2005	160,000	140,703	6,425	166,425	140,703	
2006	165,000	133,938	3,925	168,925	133,938	
2007	170,000	126,275	3,925	173,925	126,275	
2008	175,000	118,032	3,925	178,925	118,032	
2007-2013	1,010,000	450,623	19,625	1,029,625	450,623	
2014-2018	1,110,000	180,463	19,625	1,129,625	180,463	
2019-2023	-	-	19,622	19,622	-	
2014-2028	-	-	1,962	1,962	-	
Total	\$ 2,948,000	\$ 1,297,742	\$ 85,996	\$ 3,033,996	\$ 1,297,742	

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 13: Long-Term Obligations (continued)

	Business-Type Activities							
	General Obligation Bonds		Notes		OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest		
2004	\$ 315,000	\$ 225,039	\$ 150,000	\$ 23,313	\$ -	\$ -	\$ 6,643	
2005	330,000	211,424	150,000	21,438	99,407	330,197	6,642	
2006	345,000	196,888	150,000	19,563	216,929	212,675	6,643	
2007	355,000	180,407	150,000	17,688	224,980	204,623	6,642	
2008	380,000	163,380	150,000	15,813	233,331	196,273	6,642	
2009-2013	1,900,000	522,048	750,000	50,938	1,303,172	844,845	33,212	
2014-2018	1,145,000	160,513	365,000	8,063	1,563,653	584,366	29,900	
2019-2023	-	-	-	-	1,876,199	271,820	-	
2024	-	-	-	-	418,038	11,566	-	
Total	\$ 4,770,000	\$ 1,659,699	\$ 1,865,000	\$ 156,816	\$ 5,935,709	\$ 2,656,365	\$ 96,324	

	Business-Type Activities	
	Totals	
	Principal	Interest
2004	\$ 471,643	\$ 248,352
2005	586,049	563,059
2006	718,572	429,126
2007	736,622	402,718
2008	769,973	375,466
2009-2013	3,986,384	1,417,831
2014-2018	3,103,553	752,942
2019-2023	1,876,199	271,820
2024	418,038	11,566
Total	\$ 12,667,033	\$ 4,472,880

Note 14: Capital Leases

The City has existing leases for a copier, postage machine, Ford Focus and sewer cleaner. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases". The equipment has been capitalized in the Governmental Activities and the Sewer Enterprise Fund in the amounts of \$166,151 and \$132,160, respectively. These amounts represent the present value of the minimum lease payments at the inception of the lease.

	Governmental Activities	Business-type Activities
Machinery and Equipment	\$ 166,151	\$ 132,160
Less: Accumulated Depreciation	(34,820)	(17,622)
Lease property, net of depreciation	\$ 131,331	\$ 114,538

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 14: Capital Leases (continued)

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

<u>December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2004	\$ 37,002	\$ 29,593
2005	33,605	29,593
2006	2,574	-
2007	<u>1,716</u>	<u>-</u>
Total minimum lease payments	74,897	59,186
Less: amount representing interest	<u>5,177</u>	<u>4,922</u>
Present value of minimum lease payments	<u>\$ 69,720</u>	<u>\$ 54,264</u>

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

Note 15: Contractual Commitments

At December 31, 2003, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Jackson Street Bridge	\$ 561,805	\$ 364,964	\$ 196,841
Sanitary Storm Sewers	174,400	110,823	63,577
WWPC Improvements	9,330,531	5,200,301	4,130,230
Milan Avenue Project	86,600	86,555	45
North Lake Street	93,000	45,277	47,723
City Hall Auditorium	<u>108,720</u>	<u>44,415</u>	<u>64,305</u>
	<u>\$ 10,355,056</u>	<u>\$ 5,852,335</u>	<u>\$ 4,502,721</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 16: Jointly Governed Organizations

Lorain County General Health District

The Lorain County General Health District provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Amherst and Oberlin, and one member is elected jointly by the Cities of Avon and Sheffield Lake. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$35,411 during 2003 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 17: Joint Ventures

A. Sandstone Joint Ambulance District

The City is a participant in a joint venture agreement with Amherst Township for the operation of the Sandstone Joint Ambulance District (Ambulance District) as provided in the Ohio Revised Code. The City and the Township each appoint two members of the five-member Board of Trustees which oversees the operations. The fifth member of the Board is appointed by Amherst Hospital. The Sandstone Joint Ambulance District has contracted with North Central Emergency Medical Service to provide ambulance services. Continued existence of the Ambulance District is dependent on the City's continued participation; however, the City does not have an equity interest in the Ambulance District. The Ambulance District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City contributed \$55,741, which represents 65 percent of total contributions, in 2003. The Township contributes 35 percent of the required funds. The City's contribution is recorded in the General Fund. Complete financial statements can be obtained from the Sandstone Joint Ambulance District, Amherst, Ohio.

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

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$74,155 to the joint venture for 2003. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire capital assets for JV2. Under a financing agreement between the participants of JV2 and AMP-Ohio, the participants have agreed to pay the debt service requirements of the bonds. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2003, the City's requirement under the agreement was \$1,865,000 and is reflected as a liability in the City's Electric Enterprise Fund. The City's net investment and its share of the operating results of JV2 are reported in the City's Electric Enterprise Fund. The City's equity interest in JV2 was \$1,840,395 at December 31, 2003. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 18: 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, 2003.

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, 2003.

Note 19: Subsequent Event

In January 2004, the City defeased two general obligation bond issues by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt will be considered defeased and therefore removed as a liability from the statement of net assets and replaced by new refunding bonds.

Note 20: Restatement of Prior Year Net Assets

The following effect on net assets was caused by an interfund payable and receivable not being recorded in the prior year.

	<u>Street Improvement Income Tax</u>	<u>Nonmajor Capital Projects Fund</u>
Fund balances, December 31, 2002	\$ 4,556,724	\$ 1,823,414
Interfund payable/receivable	<u>53,795</u>	<u>(53,795)</u>
Restated fund balances, December 31, 2002	\$ <u>4,610,519</u>	\$ <u>1,769,619</u>

Understatements in capital assets and accounts payable had the following effect on net assets at December 31, 2002.

	<u>Sewer</u>	<u>Electric</u>
Fund equity, December 31, 2002	\$ 8,774,425	\$ 5,195,719
Capital assets	725,420	-
Accounts payable	<u>-</u>	<u>(329,028)</u>
Restated fund equity, December 31, 2002	\$ <u>9,499,845</u>	\$ <u>4,866,691</u>

City of Amherst, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 21: Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2003:

<u>Fund Name</u>	<u>Amount of Deficit</u>
Sewer Fund	\$ 1,281,664
Assistance to Firefighters Grant Fund	539
Bullet Proof Vest Fund	1,183
Issue II Improvement Fund	45,756

B. Legal Compliance

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

<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Sobriety Checkpoint Fund	\$ -	\$ 19,890	\$ (19,890)
R U OK Fund	-	6,000	(6,000)
Drug Law Enforcement Fund	880	1,080	(200)
COPS Grant Fund	46,539	56,000	(9,461)
Issue II Improvement Fund	1,459,566	1,664,655	(205,089)
North Lake Street Tunnel Fund	60,000	387,800	(327,800)

The noncompliance items above are caused by timing differences between when the original estimated revenues were approved and when the permanent appropriations were approved. By the time the permanent appropriations were approved, the Certificate of Estimated Resources had been amended and there were no noncompliance issues at this time.

The City had a negative cash balance in the Bullet Proof Vest Fund indicating that revenues from other sources were used to pay obligations of \$1,118 of this fund contrary to Ohio Revised Code Section 5705.10.

**Combining Statements and
Individual Fund Schedules**

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City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

State Highway Fund

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

Street Maintenance and Repair Permissive Fund

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

Park and Pool Fund

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

Office on Aging Fund

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

Planning Commission Fund

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

Park Trust Fund

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

Cable Television Fund

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

Assistance to Firefighters Fund

To account for Federal grant monies used to protect the health and safety of the public and firefighting personnel.

Fire Act Grant Fund

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

EMS Training Fund

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

Sobriety Checkpoint Fund

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

(continued)

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

R U OK Grant Fund

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

Law Enforcement Fund

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

Drug Law Enforcement Fund

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

DUI Enforcement Fund

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

DARE Grant Fund

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

COPS Grant Fund

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

Bullet Proof Vest Fund

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

Local Law Enforcement Fund

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

Traffic Safety Grant Fund

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

Disabled Parking

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

Recycling Fund

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

CHIP Grant Fund

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

(continued)

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

CDBG Downtown Fund

To account for Federal grant monies designated for downtown restoration.

Housing Program

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

Nonmajor Debt Service Fund

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

General Obligation Bond Retirement Fund

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

Nonmajor Capital Projects Funds

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

Fire Apparatus Levy Fund

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

CDBG Improvements Fund

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

Permanent Improvement Fund

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

Issue II Improvement Fund

To account for Issue II monies for various projects.

City Hall Auditorium Fund

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

North Lake Street Tunnel Fund

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

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2003

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,796,112	\$ 395,556	\$ 1,599,639	\$ 3,791,307
Accounts receivable	38,157	-	-	38,157
Intergovernmental receivable	27,868	12,442	15,234	55,544
Prepaid items	2,385	-	-	2,385
Property taxes receivable	<u>-</u>	<u>195,355</u>	<u>240,977</u>	<u>436,332</u>
Total assets	\$ <u>1,864,522</u>	\$ <u>603,353</u>	\$ <u>1,855,850</u>	\$ <u>4,323,725</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 19,826	\$ -	\$ 11,209	\$ 31,035
Contracts payable	-	-	5,557	5,557
Accrued wages and benefits	3,479	-	-	3,479
Intergovernmental payable	50	-	-	50
Interfund payable	1,294	-	53,795	55,089
Deferred revenue	<u>11,509</u>	<u>207,797</u>	<u>256,211</u>	<u>475,517</u>
Total liabilities	<u>36,158</u>	<u>207,797</u>	<u>326,772</u>	<u>570,727</u>
Fund balance:				
Reserve for encumbrances	28,410	-	1,196,839	1,225,249
Unreserved:				
Undesignated, reported in:				
Special revenue funds	1,799,954	-	-	1,799,954
Debt service funds	-	395,556	-	395,556
Capital projects funds	<u>-</u>	<u>-</u>	<u>332,239</u>	<u>332,239</u>
Total fund balances	<u>1,828,364</u>	<u>395,556</u>	<u>1,529,078</u>	<u>3,752,998</u>
Total liabilities and fund balances	\$ <u>1,864,522</u>	\$ <u>603,353</u>	\$ <u>1,855,850</u>	\$ <u>4,323,725</u>

City of Amherst, Ohio

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

For The Year Ended December 31, 2003

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other local taxes	\$ -	\$ 188,109	\$ 235,400	\$ 423,509
Intergovernmental	778,750	23,878	58,524	861,152
Charges for services	219,494	-	-	219,494
Fees, licenses and permits	2,983	-	-	2,983
Contributions and donations	28,205	-	-	28,205
Investment income	460	422	3,268	4,150
Rental income	28,185	-	-	28,185
Reimbursements	12,975	-	-	12,975
Miscellaneous income	<u>6,306</u>	<u>-</u>	<u>-</u>	<u>6,306</u>
Total revenues	<u>1,077,358</u>	<u>212,409</u>	<u>297,192</u>	<u>1,586,959</u>
Expenditures:				
Current:				
General government	261,634	17,862	-	279,496
Security of persons and property	90,397	-	-	90,397
Public health and welfare	148,625	-	-	148,625
Transportation	31,860	-	-	31,860
Community development	139,546	-	-	139,546
Leisure time activities	193,476	-	-	193,476
Capital outlay	186,269	-	909,229	1,095,498
Debt service:				
Principal retirement	-	128,000	-	128,000
Interest and fiscal charges	<u>-</u>	<u>145,267</u>	<u>-</u>	<u>145,267</u>
Total expenditures	<u>1,051,807</u>	<u>291,129</u>	<u>909,229</u>	<u>2,252,165</u>
Excess of revenues over (under) expenditures	<u>25,551</u>	<u>(78,720)</u>	<u>(612,037)</u>	<u>(665,206)</u>
Other financing sources (uses):				
Debt proceeds	-	-	78,496	78,496
Transfers in	67,000	-	293,000	360,000
Transfers out	<u>(406,278)</u>	<u>(67,410)</u>	<u>-</u>	<u>(473,688)</u>
Total other financing sources (uses)	<u>(339,278)</u>	<u>(67,410)</u>	<u>371,496</u>	<u>(35,192)</u>
Net change in fund balances	(313,727)	(146,130)	(240,541)	(700,398)
Fund balances at beginning of year, restated	<u>2,142,091</u>	<u>541,686</u>	<u>1,769,619</u>	<u>4,453,396</u>
Fund balances at end of year	\$ <u>1,828,364</u>	\$ <u>395,556</u>	\$ <u>1,529,078</u>	\$ <u>3,752,998</u>

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2003

	<u>State Highway</u>	<u>Street Maintenance and Repair Permissive</u>	<u>Park and Pool</u>	<u>Office on Aging</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 50,518	\$ 335,224	\$ 180,456	\$ 33,480
Accounts receivable	-	-	7,152	2,408
Intergovernmental receivable	13,873	4,091	-	-
Prepaid items	<u>-</u>	<u>-</u>	<u>1,473</u>	<u>767</u>
Total assets	\$ <u>64,391</u>	\$ <u>339,315</u>	\$ <u>189,081</u>	\$ <u>36,655</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 163	\$ -	\$ 1,020	\$ 1,377
Accrued wages and benefits	-	-	563	2,431
Intergovernmental payable	-	-	8	35
Interfund payable	-	-	145	31
Deferred revenue	<u>11,509</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,672</u>	<u>-</u>	<u>1,736</u>	<u>3,874</u>
Fund balances:				
Reserved for encumbrances	1,294	2,070	10,218	6,394
Unreserved; undesignated	<u>51,425</u>	<u>337,245</u>	<u>177,127</u>	<u>26,387</u>
Total fund balances	<u>52,719</u>	<u>339,315</u>	<u>187,345</u>	<u>32,781</u>
Total liabilities and fund balances	\$ <u>64,391</u>	\$ <u>339,315</u>	\$ <u>189,081</u>	\$ <u>36,655</u>

<u>Planning Commission</u>	<u>Park Trust</u>	<u>Cable Television</u>	<u>Assistance to Firefighters</u>	<u>Sobriety Checkpoint</u>	<u>R U OK</u>	<u>Law Enforcement</u>	<u>Drug Law Enforcement</u>
\$ 716,101	\$ 172,732	\$ 220,334	\$ 4,852	\$ 3,446	\$ 1,448	\$ 1,074	\$ 62
-	-	28,497	-	-	-	-	-
-	-	-	-	40	-	-	-
-	-	145	-	-	-	-	-
<u>\$ 716,101</u>	<u>\$ 172,732</u>	<u>\$ 248,976</u>	<u>\$ 4,852</u>	<u>\$ 3,486</u>	<u>\$ 1,448</u>	<u>\$ 1,074</u>	<u>\$ 62</u>
\$ 1,600	\$ 14,300	\$ 1,301	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	485	-	-	-	-	-
-	-	7	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,600</u>	<u>14,300</u>	<u>1,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,000	-	2,753	-	-	-	1,025	-
<u>713,501</u>	<u>158,432</u>	<u>244,430</u>	<u>4,852</u>	<u>3,486</u>	<u>1,448</u>	<u>49</u>	<u>62</u>
<u>714,501</u>	<u>158,432</u>	<u>247,183</u>	<u>4,852</u>	<u>3,486</u>	<u>1,448</u>	<u>1,074</u>	<u>62</u>
<u>\$ 716,101</u>	<u>\$ 172,732</u>	<u>\$ 248,976</u>	<u>\$ 4,852</u>	<u>\$ 3,486</u>	<u>\$ 1,448</u>	<u>\$ 1,074</u>	<u>\$ 62</u>

(continued)

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued)

December 31, 2003

	<u>DUI Enforcement</u>	<u>DARE Grant</u>	<u>COPS Grant</u>	<u>Bullet Proof Vest</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,268	\$ 1,503	\$ 7,920	\$ -
Accounts receivable	100	-	-	-
Intergovernmental receivable	-	-	8,000	1,864
Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>2,368</u>	\$ <u>1,503</u>	\$ <u>15,920</u>	\$ <u>1,864</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 65
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Interfund payable	-	-	-	1,118
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,183</u>
Fund balances:				
Reserved for encumbrances	289	-	-	-
Unreserved; undesignated	<u>2,079</u>	<u>1,503</u>	<u>15,920</u>	<u>681</u>
Total fund balances	<u>2,368</u>	<u>1,503</u>	<u>15,920</u>	<u>681</u>
Total liabilities and fund balances	\$ <u>2,368</u>	\$ <u>1,503</u>	\$ <u>15,920</u>	\$ <u>1,864</u>

<u>Local Law Enforcement</u>	<u>Traffic Safety Grant</u>	<u>Disabled Parking</u>	<u>Recycling</u>	<u>CHIP Grant</u>	<u>CDBG Downtown</u>	<u>Housing Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 454	\$ 8,767	\$ 250	\$ 24,023	\$ 6,000	\$ 12,225	\$ 12,975	\$ 1,796,112
-	-	-	-	-	-	-	38,157
-	-	-	-	-	-	-	27,868
-	-	-	-	-	-	-	2,385
<u>\$ 454</u>	<u>\$ 8,767</u>	<u>\$ 250</u>	<u>\$ 24,023</u>	<u>\$ 6,000</u>	<u>\$ 12,225</u>	<u>\$ 12,975</u>	<u>\$ 1,864,522</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,826
-	-	-	-	-	-	-	3,479
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	1,294
-	-	-	-	-	-	-	11,509
-	-	-	-	-	-	-	36,158
-	-	-	-	-	3,367	-	28,410
<u>454</u>	<u>8,767</u>	<u>250</u>	<u>24,023</u>	<u>6,000</u>	<u>8,858</u>	<u>12,975</u>	<u>1,799,954</u>
<u>454</u>	<u>8,767</u>	<u>250</u>	<u>24,023</u>	<u>6,000</u>	<u>12,225</u>	<u>12,975</u>	<u>1,828,364</u>
<u>\$ 454</u>	<u>\$ 8,767</u>	<u>\$ 250</u>	<u>\$ 24,023</u>	<u>\$ 6,000</u>	<u>\$ 12,225</u>	<u>\$ 12,975</u>	<u>\$ 1,864,522</u>

City of Amherst, Ohio

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

For The Year Ended December 31, 2003

	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging
Revenues:				
Intergovernmental	\$ 28,164	\$ 60,109	\$ 47,613	\$ 14,755
Charges for services	-	-	62,154	41,943
Fees, licenses and permits	-	-	-	-
Contributions and donations	-	-	-	130
Investment income	-	-	-	311
Rental income	-	-	2,330	-
Reimbursements	-	-	-	-
Miscellaneous income	-	-	2,800	1,189
Total revenues	<u>28,164</u>	<u>60,109</u>	<u>114,897</u>	<u>58,328</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	-	-	144,073
Transportation	12,930	18,930	-	-
Community development	-	-	-	-
Leisure time activities	-	-	176,228	-
Capital outlay	-	-	-	-
Total expenditures	<u>12,930</u>	<u>18,930</u>	<u>176,228</u>	<u>144,073</u>
Excess of revenues over (under) expenditures	<u>15,234</u>	<u>41,179</u>	<u>(61,331)</u>	<u>(85,745)</u>
Other financing sources (uses):				
Transfers in	-	-	-	60,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net change in fund balances	15,234	41,179	(61,331)	(25,745)
Fund balances at beginning of year	<u>37,485</u>	<u>298,136</u>	<u>248,676</u>	<u>58,526</u>
Fund balances at end of year	<u>\$ 52,719</u>	<u>\$ 339,315</u>	<u>\$ 187,345</u>	<u>\$ 32,781</u>

<u>Planning Commission</u>	<u>Park Trust</u>	<u>Cable Television</u>	<u>Assistance to Firefighters</u>	<u>Sobriety Check- point</u>	<u>R U OK</u>	<u>Law Enforcement</u>	<u>Drug Law Enforcement</u>
\$ -	\$ 120,859	\$ 82,602	\$ 4,852	\$ 13,032	\$ 6,000	\$ -	\$ -
86,900	-	28,497	-	-	-	-	-
-	-	-	-	-	-	-	-
-	28,075	-	-	-	-	-	-
-	149	-	-	-	-	-	-
-	25,855	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,152	-	-	-	902	263
<u>86,900</u>	<u>174,938</u>	<u>112,251</u>	<u>4,852</u>	<u>13,032</u>	<u>6,000</u>	<u>902</u>	<u>263</u>
7,633	-	81,763	-	-	-	-	-
-	-	-	-	9,546	-	22,773	1,081
-	-	-	-	-	4,552	-	-
-	-	-	-	-	-	-	-
1,600	-	-	-	-	-	-	-
-	17,248	-	-	-	-	-	-
-	120,441	65,828	-	-	-	-	-
<u>9,233</u>	<u>137,689</u>	<u>147,591</u>	<u>-</u>	<u>9,546</u>	<u>4,552</u>	<u>22,773</u>	<u>1,081</u>
<u>77,667</u>	<u>37,249</u>	<u>(35,340)</u>	<u>4,852</u>	<u>3,486</u>	<u>1,448</u>	<u>(21,871)</u>	<u>(818)</u>
-	7,000	-	-	-	-	-	-
(311,678)	-	-	-	-	-	-	-
<u>(311,678)</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(234,011)	44,249	(35,340)	4,852	3,486	1,448	(21,871)	(818)
<u>948,512</u>	<u>114,183</u>	<u>282,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,945</u>	<u>880</u>
\$ <u>714,501</u>	\$ <u>158,432</u>	\$ <u>247,183</u>	\$ <u>4,852</u>	\$ <u>3,486</u>	\$ <u>1,448</u>	\$ <u>1,074</u>	\$ <u>62</u>

(continued)

City of Amherst, Ohio

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

For The Year Ended December 31, 2003

	<u>DUI Enforcement</u>	<u>DARE Grant</u>	<u>COPS Grant</u>	<u>Bullet Proof Vest</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 44,000	\$ 1,864
Charges for services	-	-	-	-
Fees, licenses and permits	2,733	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Reimbursements	-	-	-	-
Miscellaneous income	-	-	-	-
	<u>2,733</u>	<u>-</u>	<u>44,000</u>	<u>1,864</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	4,125	-	34,619	2,488
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community development	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
	<u>4,125</u>	<u>-</u>	<u>34,619</u>	<u>2,488</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(1,392)</u>	<u>-</u>	<u>9,381</u>	<u>(624)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	(1,392)	-	9,381	(624)
Fund balances at beginning of year	<u>3,760</u>	<u>1,503</u>	<u>6,539</u>	<u>1,305</u>
Fund balances at end of year	\$ <u><u>2,368</u></u>	\$ <u><u>1,503</u></u>	\$ <u><u>15,920</u></u>	\$ <u><u>681</u></u>

<u>Local Law Enforcement</u>	<u>Traffic Safety Grant</u>	<u>Disabled Parking</u>	<u>Recycling</u>	<u>CHIP Grant</u>	<u>CDBG Downtown</u>	<u>Housing Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 13,552	\$ -	\$ 127,837	\$ 79,220	\$ 134,291	\$ -	\$ 778,750
-	-	-	-	-	-	-	219,494
-	-	250	-	-	-	-	2,983
-	-	-	-	-	-	-	28,205
-	-	-	-	-	-	-	460
-	-	-	-	-	-	-	28,185
-	-	-	-	-	-	12,975	12,975
-	-	-	-	-	-	-	6,306
<u>-</u>	<u>13,552</u>	<u>250</u>	<u>127,837</u>	<u>79,220</u>	<u>134,291</u>	<u>12,975</u>	<u>1,077,358</u>
-	-	-	120,004	52,234	-	-	261,634
-	15,765	-	-	-	-	-	90,397
-	-	-	-	-	-	-	148,625
-	-	-	-	-	-	-	31,860
-	-	-	-	-	137,946	-	139,546
-	-	-	-	-	-	-	193,476
-	-	-	-	-	-	-	186,269
<u>-</u>	<u>15,765</u>	<u>-</u>	<u>120,004</u>	<u>52,234</u>	<u>137,946</u>	<u>-</u>	<u>1,051,807</u>
<u>-</u>	<u>(2,213)</u>	<u>250</u>	<u>7,833</u>	<u>26,986</u>	<u>(3,655)</u>	<u>12,975</u>	<u>25,551</u>
-	-	-	-	-	-	-	67,000
-	-	-	-	(94,600)	-	-	(406,278)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,600)</u>	<u>-</u>	<u>-</u>	<u>(339,278)</u>
-	(2,213)	250	7,833	(67,614)	(3,655)	12,975	(313,727)
<u>454</u>	<u>10,980</u>	<u>-</u>	<u>16,190</u>	<u>73,614</u>	<u>15,880</u>	<u>-</u>	<u>2,142,091</u>
\$ <u>454</u>	\$ <u>8,767</u>	\$ <u>250</u>	\$ <u>24,023</u>	\$ <u>6,000</u>	\$ <u>12,225</u>	\$ <u>12,975</u>	\$ <u>1,828,364</u>

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2003

	Fire Apparatus <u>Levy</u>	CDBG <u>Improvements</u>	Permanent <u>Improvement</u>	Issue II <u>Improvement</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 546,474	\$ 4,215	\$ 12,623	\$ 735,728
Intergovernmental receivable	15,234	-	-	-
Property taxes receivable	<u>240,977</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>802,685</u>	\$ <u>4,215</u>	\$ <u>12,623</u>	\$ <u>735,728</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 11,209
Contracts payable	-	-	-	5,557
Interfund payable	-	-	-	53,795
Deferred revenue	<u>256,211</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>256,211</u>	<u>-</u>	<u>-</u>	<u>70,561</u>
Fund balances:				
Reserve for encumbrances	367,552	-	-	764,719
Unreserved; undesignated	<u>178,922</u>	<u>4,215</u>	<u>12,623</u>	<u>(99,552)</u>
Total fund balances	<u>546,474</u>	<u>4,215</u>	<u>12,623</u>	<u>665,167</u>
Total liabilities and fund balances	\$ <u>802,685</u>	\$ <u>4,215</u>	\$ <u>12,623</u>	\$ <u>735,728</u>

<u>City Hall Auditorium</u>	<u>North Lake Street Tunnel</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 252,799	\$ 47,800	\$ 1,599,639
-	-	15,234
<u>-</u>	<u>-</u>	<u>240,977</u>
\$ <u>252,799</u>	\$ <u>47,800</u>	\$ <u>1,855,850</u>
\$ -	\$ -	\$ 11,209
-	-	5,557
-	-	53,795
<u>-</u>	<u>-</u>	<u>256,211</u>
<u>-</u>	<u>-</u>	<u>326,772</u>
64,568	-	1,196,839
<u>188,231</u>	<u>47,800</u>	<u>332,239</u>
<u>252,799</u>	<u>47,800</u>	<u>1,529,078</u>
\$ <u>252,799</u>	\$ <u>47,800</u>	\$ <u>1,855,850</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, 2003

	Fire Apparatus <u>Levy</u>	CDBG <u>Improvements</u>	Permanent <u>Improvement</u>	Issue II <u>Improvements</u>
Revenues:				
Property and other local taxes	\$ 235,400	\$ -	\$ -	\$ -
Intergovernmental	29,740	1,000	-	27,784
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>265,140</u>	<u>1,000</u>	<u>-</u>	<u>27,784</u>
Expenditures:				
Capital outlay	<u>134,652</u>	<u>1,000</u>	<u>-</u>	<u>708,659</u>
Excess of revenues over (under) expenditures	<u>130,488</u>	<u>-</u>	<u>-</u>	<u>(680,875)</u>
Other financing sources (uses):				
Debt proceeds	-	-	-	78,496
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,496</u>
Net change in fund balances	130,488	-	-	(309,379)
Fund balances at beginning of year, restated	<u>415,986</u>	<u>4,215</u>	<u>12,623</u>	<u>974,546</u>
Fund balances at end of year	\$ <u>546,474</u>	\$ <u>4,215</u>	\$ <u>12,623</u>	\$ <u>665,167</u>

<u>City Hall Auditorium</u>	<u>North Lake Street Tunnel</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 235,400
-	-	58,524
<u>3,268</u>	<u>-</u>	<u>3,268</u>
<u>3,268</u>	<u>-</u>	<u>297,192</u>
<u>52,718</u>	<u>12,200</u>	<u>909,229</u>
<u>(49,450)</u>	<u>(12,200)</u>	<u>(612,037)</u>
-	-	78,496
<u>-</u>	<u>-</u>	<u>293,000</u>
<u>-</u>	<u>-</u>	<u>371,496</u>
(49,450)	(12,200)	(240,541)
<u>302,249</u>	<u>60,000</u>	<u>1,769,619</u>
\$ <u><u>252,799</u></u>	\$ <u><u>47,800</u></u>	\$ <u><u>1,529,078</u></u>

City of Amherst, Ohio

Combining Statements Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Cemetery Trust Fund

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

Agency Funds

Street Openings Fund

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

Building Standards Assessment Fund

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

Joint Ambulance District Fund

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

City of Amherst, Ohio

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2003

	<u>Street Openings</u>	<u>Building Standards Assessment</u>	<u>Joint Ambulance District</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,267	\$ 1,277	\$ -	\$ 9,544
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>-</u>	<u>6,122</u>	<u>6,122</u>
Total assets	\$ <u>8,267</u>	\$ <u>1,277</u>	\$ <u>6,122</u>	\$ <u>15,666</u>
Liabilities:				
Deposits held and due to others	\$ <u>8,267</u>	\$ <u>1,277</u>	\$ <u>6,122</u>	\$ <u>15,666</u>

City of Amherst, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For The Year Ended December 31, 2003

	Balance December 31, <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2003</u>
Street Openings				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>8,267</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,267</u>
Liabilities:				
Deposits held and due to others	\$ <u>8,267</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,267</u>
Building Standards Assessment				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>621</u>	\$ <u>4,510</u>	\$ <u>3,854</u>	\$ <u>1,277</u>
Liabilities:				
Deposits held and due to others	\$ <u>621</u>	\$ <u>4,510</u>	\$ <u>3,854</u>	\$ <u>1,277</u>
Joint ambulance district				
Assets:				
Cash and cash equivalents in segregated accounts	\$ <u>37,146</u>	\$ <u>92,939</u>	\$ <u>123,963</u>	\$ <u>6,122</u>
Liabilities:				
Deposits held and due to others	\$ <u>37,146</u>	\$ <u>92,939</u>	\$ <u>123,963</u>	\$ <u>6,122</u>
Totals – All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,888	\$ 4,510	\$ 3,854	\$ 9,544
Cash and cash equivalents in segregated accounts	<u>37,146</u>	<u>92,939</u>	<u>123,963</u>	<u>6,122</u>
Total assets	\$ <u>46,034</u>	\$ <u>97,449</u>	\$ <u>127,817</u>	\$ <u>15,666</u>
Liabilities:				
Deposits held and due to others	\$ <u>46,034</u>	\$ <u>97,449</u>	\$ <u>127,817</u>	\$ <u>15,666</u>

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

City of Amherst, Ohio

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

General Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 654,933	\$ 654,933	\$ 708,680	\$ 53,747
Municipal income taxes	1,401,033	1,793,000	1,813,594	20,594
Intergovernmental	441,308	569,330	584,776	15,446
Charges for services	72,061	92,966	95,488	2,522
Fees, licenses and permits	313,975	405,058	416,047	10,989
Contributions and donations	102,634	132,408	136,000	3,592
Investment income	219,884	283,671	291,367	7,696
Miscellaneous income	<u>81,950</u>	<u>105,724</u>	<u>108,592</u>	<u>2,868</u>
Total revenues	<u>3,287,778</u>	<u>4,037,090</u>	<u>4,154,544</u>	<u>117,454</u>
Expenditures:				
Current operations and maintenance:				
General government:				
Mayor's office				
Salaries	99,241	88,890	88,382	508
Fringe benefits	38,369	47,534	34,171	13,363
Supplies and materials	4,870	5,980	4,337	1,643
Contractual services	<u>12,952</u>	<u>14,065</u>	<u>11,535</u>	<u>2,530</u>
Total mayor's office	<u>155,432</u>	<u>156,469</u>	<u>138,425</u>	<u>18,044</u>
Safety services				
Salaries	11,991	10,680	10,679	1
Fringe benefits	2,044	2,600	1,820	780
Supplies and materials	842	750	750	-
Contractual services	<u>165,537</u>	<u>158,884</u>	<u>147,424</u>	<u>11,460</u>
Total safety services	<u>180,414</u>	<u>172,914</u>	<u>160,673</u>	<u>12,241</u>
City council				
Salaries	67,320	62,000	59,954	2,046
Fringe benefits	11,122	12,600	9,905	2,695
Supplies and materials	4,544	27,027	4,047	22,980
Contractual services	<u>28,745</u>	<u>4,647</u>	<u>25,599</u>	<u>(20,952)</u>
Total city council	<u>111,731</u>	<u>106,274</u>	<u>99,505</u>	<u>6,769</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Auditor:				
Salaries	97,304	97,921	86,657	11,264
Fringe benefits	38,202	48,394	34,022	14,372
Supplies and materials	7,924	15,440	7,057	8,383
Contractual services	40,614	47,662	36,170	11,492
Capital outlay	<u>33,686</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total auditor	<u>217,730</u>	<u>239,417</u>	<u>193,906</u>	<u>45,511</u>
Treasurer				
Salaries	49,628	44,370	44,198	172
Fringe benefits	10,006	12,400	8,911	3,489
Supplies and materials	2,606	2,906	2,321	585
Contractual services	<u>4,092</u>	<u>5,344</u>	<u>3,644</u>	<u>1,700</u>
Total treasurer	<u>66,332</u>	<u>65,020</u>	<u>59,074</u>	<u>5,946</u>
Law director				
Salaries	113,665	102,000	101,228	772
Fringe benefits	<u>19,268</u>	<u>22,250</u>	<u>17,160</u>	<u>5,090</u>
Total law director	<u>132,934</u>	<u>124,250</u>	<u>118,388</u>	<u>5,862</u>
City hall				
Supplies and materials	1,868	7,767	1,664	6,103
Contractual services	<u>18,991</u>	<u>26,642</u>	<u>16,913</u>	<u>9,729</u>
Total city hall	<u>20,859</u>	<u>34,409</u>	<u>18,577</u>	<u>15,832</u>
Civil service commission				
Salaries	2,506	2,250	2,232	18
Fringe benefits	432	525	385	140
Supplies and materials	414	500	368	132
Contractual services	<u>3,672</u>	<u>7,500</u>	<u>3,270</u>	<u>4,230</u>
Total civil service commission	<u>7,024</u>	<u>10,775</u>	<u>6,255</u>	<u>4,520</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Income tax department				
Salaries	64,351	62,621	37,304	25,317
Fringe benefits	35,156	38,475	20,380	18,095
Supplies and materials	17,868	17,284	10,358	6,926
Contractual services	<u>20,648</u>	<u>20,548</u>	<u>11,969</u>	<u>8,579</u>
Total income tax department	<u>138,023</u>	<u>138,928</u>	<u>80,011</u>	<u>58,917</u>
Downtown director				
Fringe benefits	1,772	2,403	1,578	825
Supplies and materials	42	73	37	36
Contractual services	<u>73,197</u>	<u>78,793</u>	<u>65,188</u>	<u>13,605</u>
Total downtown director	<u>75,011</u>	<u>81,269</u>	<u>66,803</u>	<u>14,466</u>
Amherst office building				
Supplies and materials	494	850	440	410
Contractual services	<u>5,147</u>	<u>5,700</u>	<u>4,584</u>	<u>1,116</u>
Total Amherst office building	<u>5,641</u>	<u>6,550</u>	<u>5,024</u>	<u>1,526</u>
Miscellaneous				
Fringe benefits	9,012	35,400	8,026	27,374
Contractual services	35,567	75,350	31,675	43,675
Capital outlay	<u>326,799</u>	<u>345,585</u>	<u>291,041</u>	<u>54,544</u>
Total miscellaneous	<u>371,378</u>	<u>456,335</u>	<u>330,742</u>	<u>125,593</u>
Total general government	<u>1,482,509</u>	<u>1,592,610</u>	<u>1,277,383</u>	<u>315,227</u>
Security of persons and property:				
Police department				
Salaries	1,466,708	1,389,200	1,306,220	82,980
Fringe benefits	691,171	839,924	615,544	224,380
Supplies and materials	109,642	118,798	97,645	21,153
Contractual services	217,946	239,438	194,098	45,340
Capital outlay	<u>56,700</u>	<u>72,000</u>	<u>50,496</u>	<u>21,504</u>
Total police department	<u>2,542,167</u>	<u>2,659,360</u>	<u>2,264,003</u>	<u>395,357</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Fire department				
Salaries	325,965	293,975	290,298	3,677
Fringe benefits	70,336	79,793	62,640	17,153
Supplies and materials	22,835	30,770	20,336	10,434
Contractual services	<u>62,605</u>	<u>64,870</u>	<u>55,755</u>	<u>9,115</u>
Total fire department	<u>481,741</u>	<u>469,408</u>	<u>429,029</u>	<u>40,379</u>
Total security of persons and property	<u>3,023,908</u>	<u>3,128,768</u>	<u>2,693,032</u>	<u>435,736</u>
Public health and welfare:				
Cemetery				
Salaries	13,729	20,500	12,227	8,273
Fringe benefits	4,066	5,550	3,621	1,929
Supplies and materials	2,639	8,200	2,350	5,850
Contractual services	<u>1,537</u>	<u>3,300</u>	<u>1,369</u>	<u>1,931</u>
Total cemetery	<u>21,971</u>	<u>37,550</u>	<u>19,567</u>	<u>17,983</u>
County health district				
Contractual services	<u>39,762</u>	<u>35,500</u>	<u>35,411</u>	<u>89</u>
Total public health and welfare	<u>61,733</u>	<u>73,050</u>	<u>54,978</u>	<u>18,072</u>
Community development:				
Building inspector				
Salaries	127,214	121,115	113,293	7,822
Fringe benefits	48,925	50,897	43,572	7,325
Supplies and materials	4,272	5,191	3,805	1,386
Contractual services	<u>43,742</u>	<u>73,181</u>	<u>38,955</u>	<u>34,226</u>
Total building inspector	<u>224,153</u>	<u>250,384</u>	<u>199,625</u>	<u>50,759</u>
Planning commission				
Salaries	6,248	6,700	5,564	1,136
Fringe benefits	252	1,500	225	1,275
Supplies and materials	282	250	250	-
Contractual services	<u>310</u>	<u>500</u>	<u>277</u>	<u>223</u>
Total planning commission	<u>7,092</u>	<u>8,950</u>	<u>6,316</u>	<u>2,634</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Board of zoning appeals				
Supplies and materials	291	260	259	1
Contractual services	<u>1,104</u>	<u>3,400</u>	<u>983</u>	<u>2,417</u>
Total board of zoning appeals	<u>1,395</u>	<u>3,660</u>	<u>1,242</u>	<u>2,418</u>
Total community development	<u>232,640</u>	<u>262,994</u>	<u>207,183</u>	<u>55,811</u>
Total expenditures	<u>4,800,790</u>	<u>5,057,422</u>	<u>4,232,576</u>	<u>824,846</u>
Excess of revenues over (under) expenditures	<u>(1,513,012)</u>	<u>(1,020,332)</u>	<u>(78,032)</u>	<u>942,300</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	440	440
Debt proceeds	-	-	580,000	580,000
Transfers in	244,597	399,278	399,278	-
Advances in	100,000	100,000	100,000	-
Transfers out	<u>(875,518)</u>	<u>(848,706)</u>	<u>(570,000)</u>	<u>278,706</u>
Total other financing sources (uses)	<u>(530,921)</u>	<u>(349,428)</u>	<u>509,718</u>	<u>859,146</u>
Net change in fund balance	(2,043,933)	(1,369,760)	431,686	1,801,446
Fund balance at beginning of year	2,220,054	2,220,054	2,220,054	-
Prior year encumbrances appropriated	<u>84,694</u>	<u>84,694</u>	<u>84,694</u>	<u>-</u>
Fund balance at end of year	\$ <u>260,815</u>	\$ <u>934,988</u>	\$ <u>2,736,434</u>	\$ <u>1,801,446</u>

City of Amherst, Ohio

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

Street Construction, Maintenance and Repair Fund

For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 946,881	\$ 312,000	\$ 347,003	\$ 35,003
Miscellaneous income	<u>16,951</u>	<u>19,000</u>	<u>6,212</u>	<u>(12,788)</u>
Total revenues	<u>963,832</u>	<u>331,000</u>	<u>353,215</u>	<u>22,215</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Personal services	681,100	671,068	610,180	60,888
Contractual services	103,123	100,879	92,385	8,494
Supplies and materials	262,022	298,333	234,738	63,595
Capital outlay	<u>48,867</u>	<u>63,000</u>	<u>43,780</u>	<u>19,220</u>
Total expenditures	<u>1,095,112</u>	<u>1,133,280</u>	<u>981,083</u>	<u>152,197</u>
Net change in fund balance	(131,280)	(802,280)	(627,868)	174,412
Fund balance at beginning of year	987,247	987,247	987,247	-
Prior year encumbrances appropriated	<u>32,153</u>	<u>32,153</u>	<u>32,153</u>	<u>-</u>
Fund balance at end of year	<u>\$ 888,120</u>	<u>\$ 217,120</u>	<u>\$ 391,532</u>	<u>\$ 174,412</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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 1,652,000	\$ 1,652,000	\$ 1,799,177	\$ 147,177
Expenditures:				
Current operations and maintenance:				
Transportation				
Contractual services	461,581	557,300	299,528	257,772
Capital outlay	<u>3,512,302</u>	<u>2,658,038</u>	<u>2,279,193</u>	<u>378,845</u>
Total transportation	3,973,883	3,215,338	2,578,721	636,617
Debit service:				
Principal retirement	<u>7,705</u>	<u>16,250</u>	<u>5,000</u>	<u>11,250</u>
Total expenditures	<u>3,981,588</u>	<u>3,231,588</u>	<u>2,583,721</u>	<u>647,867</u>
Excess of revenues over (under) expenditures	(2,329,588)	(1,579,588)	(784,544)	795,044
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Net change in fund balance	(2,329,588)	(2,329,588)	(784,544)	1,545,044
Fund balance at beginning of year	3,562,833	3,562,833	3,562,833	-
Prior year encumbrances appropriated	<u>943,338</u>	<u>943,338</u>	<u>943,338</u>	<u>-</u>
Fund balance at end of year	\$ <u>2,176,583</u>	\$ <u>2,176,583</u>	\$ <u>3,721,627</u>	\$ <u>1,545,044</u>

City of Amherst, Ohio

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

Water Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental:				
Charges for services	\$ 1,919,477	\$ 1,918,738	\$ 1,829,089	\$ (89,649)
Customer deposits	8,395	11,000	8,000	(3,000)
Miscellaneous income	<u>1,866</u>	<u>-</u>	<u>1,778</u>	<u>1,778</u>
Total revenues	<u>1,929,738</u>	<u>1,929,738</u>	<u>1,838,867</u>	<u>(90,871)</u>
Expenses:				
Water operations:				
Personal services	481,956	383,513	392,915	(9,402)
Contractual services	1,382,825	1,119,839	1,127,353	(7,514)
Supplies and materials	178,754	322,373	145,730	176,643
Other	10,745	11,000	8,760	2,240
Capital outlay	63,403	342,000	51,690	290,310
Debt service:				
Principal retirement	55,197	45,000	45,000	-
Interest and fiscal charges	<u>53,300</u>	<u>43,453</u>	<u>43,453</u>	<u>-</u>
Total expenses	<u>2,226,180</u>	<u>2,267,178</u>	<u>1,814,901</u>	<u>452,277</u>
Net change in fund equity	(296,442)	(337,440)	23,966	361,406
Fund equity at beginning of year	679,516	679,516	679,516	-
Prior year encumbrances appropriated	<u>8,176</u>	<u>8,176</u>	<u>8,176</u>	<u>-</u>
Fund equity at end of year	\$ <u>391,250</u>	\$ <u>350,252</u>	\$ <u>711,658</u>	\$ <u>361,406</u>

City of Amherst, Ohio

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

Sewer Fund

For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 8,812,277	\$ -	\$ 4,975,241	\$ 4,975,241
Charges for services	4,269,599	2,550,195	2,410,533	(139,662)
Customer deposits	5,438	6,000	3,070	(2,930)
Notes issued	-	10,500,000	-	(10,500,000)
Miscellaneous income	<u>5,248</u>	<u>-</u>	<u>2,963</u>	<u>2,963</u>
Total revenues	<u>13,092,562</u>	<u>13,056,195</u>	<u>7,391,807</u>	<u>(5,664,388)</u>
Expenses:				
Sewer operations:				
Personal services	929,557	949,058	742,202	206,856
Contractual services	413,857	422,539	330,443	92,096
Supplies and materials	212,400	216,856	169,590	47,266
Other	4,164	5,500	3,325	2,175
Capital outlay	12,107,049	12,361,031	9,666,816	2,694,215
Debt service:				
Principal retirement	177,399	181,120	141,643	39,477
Interest and fiscal charges	<u>125,053</u>	<u>127,676</u>	<u>99,848</u>	<u>27,828</u>
Total expenses	<u>13,969,479</u>	<u>14,263,780</u>	<u>11,153,867</u>	<u>3,109,913</u>
Excess of revenues over (under) expenses	(876,917)	(1,207,585)	(3,762,060)	(2,554,475)
Other financing sources (uses):				
Transfers out	<u>(366,963)</u>	<u>(293,000)</u>	<u>(293,000)</u>	<u>-</u>
Net change in fund equity	(1,243,880)	(1,500,585)	(4,055,060)	(2,554,475)
Fund equity at beginning of year	(6,875,399)	(6,875,399)	(6,875,399)	-
Prior year encumbrances appropriated	<u>9,648,795</u>	<u>9,648,795</u>	<u>9,648,795</u>	<u>-</u>
Fund equity at end of year	\$ <u>1,529,516</u>	\$ <u>1,272,811</u>	\$ <u>(1,281,664)</u>	\$ <u>(2,554,475)</u>

City of Amherst, Ohio

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

Electric Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental				
Charges for services	\$ 6,387,906	\$ 6,571,543	\$ 6,209,885	\$ (361,658)
Customer deposits	16,140	16,000	15,690	(310)
Miscellaneous income	<u>7,315</u>	<u>7,525</u>	<u>7,112</u>	<u>(413)</u>
Total revenues	<u>6,411,361</u>	<u>6,595,068</u>	<u>6,232,687</u>	<u>(362,381)</u>
Expenses:				
Electric operations:				
Personal services	1,075,179	779,029	904,819	(125,790)
Contractual services	5,295,608	5,279,228	4,456,527	822,701
Supplies and materials	261,922	314,055	220,421	93,634
Other	21,722	130,000	18,280	111,720
Capital outlay	116,542	287,340	98,076	189,264
Debt service:				
Principal retirement	314,895	265,000	265,000	-
Interest and fiscal charges	<u>164,463</u>	<u>146,168</u>	<u>138,404</u>	<u>7,764</u>
Total expenses	<u>7,250,331</u>	<u>7,200,820</u>	<u>6,101,527</u>	<u>1,099,293</u>
Excess of revenues over (under) expenses	<u>(838,970)</u>	<u>(605,752)</u>	<u>131,160</u>	<u>736,912</u>
Other financing sources (uses):				
Transfers in	-	113,358	-	(113,358)
Transfers out	<u>-</u>	<u>(113,358)</u>	<u>-</u>	<u>113,358</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund equity	(838,970)	(605,752)	131,160	736,912
Fund equity at beginning of year	2,830,717	2,830,717	2,830,717	-
Prior year encumbrances appropriated	<u>61,008</u>	<u>61,008</u>	<u>61,008</u>	<u>-</u>
Fund equity at end of year	\$ <u>2,052,755</u>	\$ <u>2,285,973</u>	\$ <u>3,022,885</u>	\$ <u>736,912</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>25,300</u>	\$ <u>25,300</u>	\$ <u>28,171</u>	\$ <u>2,871</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Contractual services	19,367	7,500	6,813	687
Supplies and materials	<u>5,933</u>	<u>17,800</u>	<u>7,412</u>	<u>10,388</u>
Total expenditures	<u>25,300</u>	<u>25,300</u>	<u>14,225</u>	<u>11,075</u>
Net change in fund balance	-	-	13,946	13,946
Fund balance at beginning of year	<u>35,115</u>	<u>35,115</u>	<u>35,115</u>	-
Fund balance at end of year	\$ <u><u>35,115</u></u>	\$ <u><u>35,115</u></u>	\$ <u><u>49,061</u></u>	\$ <u><u>13,946</u></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, 2003

	<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	\$ 60,029	\$ 29
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital outlay	<u>105,000</u>	<u>122,000</u>	<u>21,000</u>	<u>101,000</u>
Net change in fund balance	(45,000)	(62,000)	39,029	101,029
Fund balance at beginning of year	<u>294,125</u>	<u>294,125</u>	<u>294,125</u>	<u>-</u>
Fund balance at end of year	\$ <u>249,125</u>	\$ <u>232,125</u>	\$ <u>333,154</u>	\$ <u>101,029</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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 49,000	\$ 49,000	\$ 40,461	\$ (8,539)
Charges for services	107,300	107,300	70,459	(36,841)
Rental income	5,000	5,000	2,330	(2,670)
Miscellaneous income	<u>1,400</u>	<u>1,400</u>	<u>2,800</u>	<u>1,400</u>
Total revenues	<u>162,700</u>	<u>162,700</u>	<u>116,050</u>	<u>(46,650)</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Personal services	165,613	151,690	104,048	47,642
Contractual services	35,188	28,445	22,187	6,258
Supplies and materials	38,801	50,522	25,923	24,599
Capital outlay	<u>41,055</u>	<u>50,000</u>	<u>34,793</u>	<u>15,207</u>
Total expenditures	<u>280,657</u>	<u>280,657</u>	<u>186,951</u>	<u>93,706</u>
Net change in fund balance	(117,957)	(117,957)	(70,901)	47,056
Fund balance at beginning of year	213,109	213,109	213,109	-
Prior year encumbrances appropriated	<u>27,622</u>	<u>27,622</u>	<u>27,622</u>	<u>-</u>
Fund balance at end of year	\$ <u>122,774</u>	\$ <u>122,774</u>	\$ <u>169,830</u>	\$ <u>47,056</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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 19,934	\$ 16,311	\$ 14,755	\$ (1,556)
Charges for services	58,064	81,700	42,978	(38,722)
Contributions and donations	1,500	1,500	130	(1,370)
Investment income	420	450	311	(139)
Miscellaneous income	<u>282</u>	<u>1,300</u>	<u>1,189</u>	<u>(111)</u>
Total revenues	<u>80,200</u>	<u>101,261</u>	<u>59,363</u>	<u>(41,898)</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Personal services	107,303	111,422	99,128	12,294
Contractual services	47,573	48,987	43,949	5,038
Supplies and materials	<u>8,287</u>	<u>9,974</u>	<u>7,655</u>	<u>2,319</u>
Total expenditures	<u>163,163</u>	<u>170,383</u>	<u>150,732</u>	<u>19,651</u>
Excess of revenues over (under) expenditures	(82,963)	(69,122)	(91,369)	(22,247)
Other financing sources (uses):				
Transfers in	<u>81,061</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	(1,902)	(9,122)	(31,369)	(22,247)
Fund balance at beginning of year	54,950	54,950	54,950	-
Prior year encumbrances appropriated	<u>2,639</u>	<u>2,639</u>	<u>2,639</u>	<u>-</u>
Fund balance at end of year	\$ <u>55,687</u>	\$ <u>48,467</u>	\$ <u>26,220</u>	\$ <u>(22,247)</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ <u>70,000</u>	\$ <u>70,000</u>	\$ <u>86,900</u>	\$ <u>16,900</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	13,440	37,242	8,633	28,609
Capital outlay	<u>-</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Total expenditures	<u>13,440</u>	<u>562,242</u>	<u>8,633</u>	<u>553,609</u>
Excess of revenues over (under) expenditures	56,560	(492,242)	78,267	570,509
Other financing sources (uses):				
Transfers out	<u>(548,802)</u>	<u>(311,678)</u>	<u>(311,678)</u>	<u>-</u>
Net change in fund balance	(492,242)	(803,920)	(233,411)	570,509
Fund balance at beginning of year	948,270	948,270	948,270	-
Prior year encumbrances appropriated	<u>242</u>	<u>242</u>	<u>242</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>456,270</u></u>	\$ <u><u>144,592</u></u>	\$ <u><u>715,101</u></u>	\$ <u><u>570,509</u></u>

City of Amherst, Ohio

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

Park Trust Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 120,859	\$ 859
Contributions and donations	24,000	24,000	28,075	4,075
Investment income	550	550	149	(401)
Rental income	<u>18,000</u>	<u>18,000</u>	<u>25,855</u>	<u>7,855</u>
Total revenues	<u>162,550</u>	<u>162,550</u>	<u>174,938</u>	<u>12,388</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Contractual services	4,700	4,700	3,041	1,659
Supplies and materials	1,200	1,200	103	1,097
Capital outlay	<u>235,000</u>	<u>236,000</u>	<u>134,741</u>	<u>101,259</u>
Total expenditures	<u>240,900</u>	<u>241,900</u>	<u>137,885</u>	<u>104,015</u>
Excess of revenues over (under) expenditures	(78,350)	(79,350)	37,053	116,403
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>
Net change in fund balance	(78,350)	(79,350)	44,053	123,403
Fund balance at beginning of year	(45,621)	(45,621)	(45,621)	-
Prior year encumbrances appropriated	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Fund balance at end of year	\$ <u>36,029</u>	\$ <u>35,029</u>	\$ <u>158,432</u>	\$ <u>123,403</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 104,000	\$ 104,000	\$ 108,866	\$ 4,866
Miscellaneous income	<u>2,820</u>	<u>2,820</u>	<u>1,152</u>	<u>(1,668)</u>
Total revenues	<u>106,820</u>	<u>106,820</u>	<u>110,018</u>	<u>3,198</u>
Expenditures:				
Current operations and maintenance:				
General government				
Personal services	23,100	23,100	21,104	1,996
Contractual services	61,740	61,740	35,690	26,050
Supplies and materials	39,504	39,504	27,698	11,806
Capital outlay	<u>70,000</u>	<u>70,000</u>	<u>65,828</u>	<u>4,172</u>
Total expenditures	<u>194,344</u>	<u>194,344</u>	<u>150,320</u>	<u>44,024</u>
Net change in fund balance	(87,524)	(87,524)	(40,302)	47,222
Fund balance at beginning of year	255,578	255,578	255,578	-
Prior year encumbrances appropriated	<u>1,004</u>	<u>1,004</u>	<u>1,004</u>	<u>-</u>
Fund balance at end of year	<u>\$ 169,058</u>	<u>\$ 169,058</u>	<u>\$ 216,280</u>	<u>\$ 47,222</u>

City of Amherst, Ohio

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

Assistance to Firefighters Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 4,852	\$ 4,852	\$ -
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Supplies and materials	<u>-</u>	<u>5,391</u>	<u>5,391</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	(539)	(539)	-
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>539</u>	<u>-</u>	<u>(539)</u>
Net change in fund balance	-	-	(539)	(539)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(539)</u></u>	\$ <u><u>(539)</u></u>

City of Amherst, Ohio

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

Fire Act Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 86,949	\$ -	\$ (86,949)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Contractual services	-	450	-	450
Capital outlay	<u>-</u>	<u>96,159</u>	<u>-</u>	<u>96,159</u>
Total expenditures	<u>-</u>	<u>96,609</u>	<u>-</u>	<u>96,609</u>
Excess of revenues over (under) expenditures	-	(9,660)	-	9,660
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>9,660</u>	<u>-</u>	<u>(9,660)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Amherst, Ohio

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

EMS Training Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 3,310	\$ -	\$ (3,310)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Contractual services	<u>-</u>	<u>3,310</u>	<u>-</u>	<u>3,310</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

City of Amherst, Ohio

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

Sobriety Checkpoint Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 19,890	\$ 12,992	\$ (6,898)
Expenditures:				
Current operations and maintenance:				
General government				
Personal services	17,806	16,129	8,546	7,583
Contractual services	<u>2,084</u>	<u>3,761</u>	<u>1,000</u>	<u>2,761</u>
Total expenditures	<u>19,890</u>	<u>19,890</u>	<u>9,546</u>	<u>10,344</u>
Net change in fund balance	(19,890)	-	3,446	3,446
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(19,890)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>3,446</u></u>	\$ <u><u>3,446</u></u>

City of Amherst, Ohio

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

R U OK Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 6,000	\$ 6,000	\$ -
Expenditures:				
Current operations and maintenance:				
General government				
Supplies and materials	<u>6,000</u>	<u>6,000</u>	<u>4,552</u>	<u>1,448</u>
Net change in fund balance	(6,000)	-	1,448	1,448
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u>(6,000)</u>	\$ <u>-</u>	\$ <u>1,448</u>	\$ <u>1,448</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous income	\$ 60,000	\$ 60,000	\$ 902	\$ (59,098)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Capital outlay	<u>82,020</u>	<u>82,020</u>	<u>23,798</u>	<u>58,222</u>
Net change in fund balance	(22,020)	(22,020)	(22,896)	(876)
Fund balance at beginning of year	18,825	18,825	18,825	-
Prior year encumbrances appropriated	<u>4,120</u>	<u>4,120</u>	<u>4,120</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>925</u></u>	\$ <u><u>925</u></u>	\$ <u><u>49</u></u>	\$ <u><u>(876)</u></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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Fees, licenses and permits	\$ -	\$ 200	\$ 262	\$ 62
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Capital outlay	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>	<u>-</u>
Net change in fund balance	(1,080)	(880)	(818)	62
Fund balance at beginning of year	<u>880</u>	<u>880</u>	<u>880</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(200)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>62</u></u>	\$ <u><u>62</u></u>

City of Amherst, Ohio

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

DUI Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees, licenses and permits	\$ 1,200	\$ 1,200	\$ 2,911	\$ 1,711
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Capital outlay	<u>4,682</u>	<u>4,682</u>	<u>4,414</u>	<u>268</u>
Net change in fund balance	(3,482)	(3,482)	(1,503)	1,979
Fund balance at beginning of year	<u>3,482</u>	<u>3,482</u>	<u>3,482</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,979</u>	\$ <u>1,979</u>

City of Amherst, Ohio

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

DARE Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>1,503</u>	<u>1,503</u>	<u>1,503</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1,503</u></u>	\$ <u><u>1,503</u></u>	\$ <u><u>1,503</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

COPS Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 40,000	\$ 50,000	\$ 32,000	\$ (18,000)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Personal services	<u>56,000</u>	<u>56,000</u>	<u>34,619</u>	<u>21,381</u>
Excess of revenues over (under) expenditures	(16,000)	(6,000)	(2,619)	3,381
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Net change in fund balance	(16,000)	(6,000)	1,381	7,381
Fund balance at beginning of year	<u>6,539</u>	<u>6,539</u>	<u>6,539</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(9,461)</u></u>	\$ <u><u>539</u></u>	\$ <u><u>7,920</u></u>	\$ <u><u>7,381</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,521	\$ 1,521	\$ -	\$ (1,521)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Personal services	<u>2,826</u>	<u>2,826</u>	<u>2,488</u>	<u>338</u>
Net change in fund balance	(1,305)	(1,305)	(2,488)	(1,183)
Fund balance at beginning of year	<u>1,305</u>	<u>1,305</u>	<u>1,305</u>	<u>-</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,183)</u>	\$ <u>(1,183)</u>

City of Amherst, Ohio

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

Local Law Enforcement Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>454</u>	<u>454</u>	<u>454</u>	<u>-</u>
Fund balance at end of year	\$ <u>454</u>	\$ <u>454</u>	\$ <u>454</u>	\$ <u>-</u>

City of Amherst, Ohio

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

Traffic Safety Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ <u>22,252</u>	\$ <u>22,000</u>	\$ <u>20,402</u>	\$ <u>(1,598)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Personal services	18,132	18,132	14,672	3,460
Supplies and materials	<u>4,724</u>	<u>4,724</u>	<u>1,093</u>	<u>3,631</u>
	<u>22,856</u>	<u>22,856</u>	<u>15,765</u>	<u>7,091</u>
Net change in fund balance	(604)	(856)	4,637	5,493
Fund balance at beginning of year	3,526	3,526	3,526	-
Prior year encumbrances appropriated	<u>604</u>	<u>604</u>	<u>604</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>3,526</u></u>	\$ <u><u>3,274</u></u>	\$ <u><u>8,767</u></u>	\$ <u><u>5,493</u></u>

City of Amherst, Ohio

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

Disabled Parking Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fees, licenses and permits	\$ -	\$ -	\$ 250	\$ 250
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	250	250
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>250</u>	\$ <u>250</u>

City of Amherst, Ohio

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

Recycling Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 133,000	\$ 133,000	\$ 127,838	\$ (5,162)
Expenditures:				
Current operations and maintenance:				
General government				
Capital outlay	<u>133,000</u>	<u>133,000</u>	<u>130,255</u>	<u>2,745</u>
Net change in fund balance	-	-	(2,417)	(2,417)
Fund balance at beginning of year	<u>26,440</u>	<u>26,440</u>	<u>26,440</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,440</u>	<u>\$ 26,440</u>	<u>\$ 24,023</u>	<u>\$ (2,417)</u>

City of Amherst, Ohio

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

CHIP Grant Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>200,000</u>	\$ <u>251,087</u>	\$ <u>79,220</u>	\$ <u>(171,867)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Capital outlay	260,000	162,835	49,669	113,166
Contractual services	<u>-</u>	<u>2,565</u>	<u>2,565</u>	<u>-</u>
Total expenditures	<u>260,000</u>	<u>165,400</u>	<u>52,234</u>	<u>113,166</u>
Excess of revenues over (under) expenditures	(60,000)	85,687	26,986	(58,701)
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(94,600)</u>	<u>(94,600)</u>	<u>-</u>
Net change in fund balance	(60,000)	(8,913)	(67,614)	(58,701)
Fund balance at beginning of year	71,049	71,049	71,049	-
Prior year encumbrances appropriated	<u>2,565</u>	<u>2,565</u>	<u>2,565</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>13,614</u></u>	\$ <u><u>64,701</u></u>	\$ <u><u>6,000</u></u>	\$ <u><u>(58,701)</u></u>

City of Amherst, Ohio

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

CDBG Downtown Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>200,000</u>	\$ <u>200,000</u>	\$ <u>149,188</u>	\$ <u>(50,812)</u>
Expenditures:				
Current operations and maintenance:				
Community environment				
Contractual services	1,434	1,434	1,434	-
Capital outlay	<u>197,207</u>	<u>197,207</u>	<u>142,579</u>	<u>54,628</u>
Total expenditures	<u>198,641</u>	<u>198,641</u>	<u>144,013</u>	<u>54,628</u>
Excess of revenues over (under) expenditures	1,359	1,359	5,175	3,816
Other financing sources (uses):				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(98,641)	(98,641)	(94,825)	3,816
Fund balance at beginning of year	85,042	85,042	85,042	-
Prior year encumbrances appropriated	<u>18,641</u>	<u>18,641</u>	<u>18,641</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>5,042</u></u>	\$ <u><u>5,042</u></u>	\$ <u><u>8,858</u></u>	\$ <u><u>3,816</u></u>

City of Amherst, Ohio

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

Housing Program Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous income	\$ -	\$ -	\$ 12,975	\$ 12,975
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	12,975	12,975
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>12,975</u>	\$ <u>12,975</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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 210,863	\$ 284,876	\$ 188,109	\$ (96,767)
Intergovernmental	15,084	-	23,878	23,878
Investment income	267	-	422	422
Total revenues	<u>226,214</u>	<u>284,876</u>	<u>212,409</u>	<u>(72,467)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	11,827	21,700	17,862	3,838
Debt service:				
Principal retirement	462,185	4,948,000	698,000	4,250,000
Interest and fiscal charges	101,096	150,408	152,677	(2,269)
Total expenditures	<u>575,108</u>	<u>5,120,108</u>	<u>868,539</u>	<u>4,251,569</u>
Excess of revenues over (under) expenditures	<u>(348,894)</u>	<u>(4,835,232)</u>	<u>(656,130)</u>	<u>4,179,102</u>
Other financing sources (uses):				
Debt proceeds	-	4,250,000	-	(4,250,000)
Transfers in	322,164	337,515	510,000	172,485
Total other financing sources (uses)	<u>322,164</u>	<u>4,587,515</u>	<u>510,000</u>	<u>(4,077,515)</u>
Net change in fund balance	(26,730)	(247,717)	(146,130)	101,587
Fund balance at beginning of year	<u>541,686</u>	<u>541,686</u>	<u>541,686</u>	<u>-</u>
Fund balance at end of year	\$ <u>514,956</u>	\$ <u>293,969</u>	\$ <u>395,556</u>	\$ <u>101,587</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Property tax	\$ 336,535	\$ 331,492	\$ 235,400	\$ (96,092)
Intergovernmental	<u>-</u>	<u>-</u>	<u>29,740</u>	<u>29,740</u>
Total revenues	<u>336,535</u>	<u>331,492</u>	<u>265,140</u>	<u>(66,352)</u>
Expenditures:				
Current operations and maintenance:				
Security of person and property				
Contractual services	-	3,650	3,646	4
Supplies and materials	-	18,896	1,718	17,178
Capital outlay	<u>81,346</u>	<u>539,000</u>	<u>491,626</u>	<u>47,374</u>
Total expenditures	<u>81,346</u>	<u>561,546</u>	<u>496,990</u>	<u>64,556</u>
Net change in fund balance	255,189	(230,054)	(231,850)	(1,796)
Fund balance at beginning of year	415,267	415,267	415,267	-
Prior year encumbrances appropriated	<u>896</u>	<u>896</u>	<u>896</u>	<u>-</u>
Fund balance at end of year	<u>\$ 671,352</u>	<u>\$ 186,109</u>	<u>\$ 184,313</u>	<u>\$ (1,796)</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 33,000	\$ 33,000	\$ 1,000	\$ (32,000)
Expenditures:				
Current operations and maintenance:				
General government				
Capital outlay	<u>34,000</u>	<u>34,000</u>	<u>1,000</u>	<u>33,000</u>
Net change in fund balance	(1,000)	(1,000)	-	1,000
Fund balance at beginning of year	3,215	3,215	3,215	-
Prior year encumbrances appropriated	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>3,215</u></u>	\$ <u><u>3,215</u></u>	\$ <u><u>4,215</u></u>	\$ <u><u>1,000</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>12,623</u>	<u>12,623</u>	<u>12,623</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>12,623</u></u>	\$ <u><u>12,623</u></u>	\$ <u><u>12,623</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

Issue II Improvement Fund

For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 250,000	\$ 704,928	\$ 106,280	\$ (598,648)
Expenditures:				
Current operations and maintenance:				
Basic utility services				
Contractual services	328,500	328,500	79,832	248,668
Capital outlay	500,000	500,000	499,000	1,000
Total basic utility services	<u>828,500</u>	<u>828,500</u>	<u>578,832</u>	<u>249,668</u>
Transportation				
Contractual services	1,179	1,179	1,179	-
Capital outlay	1,263,512	1,263,512	1,003,127	260,385
Total transportation	<u>1,264,691</u>	<u>1,264,691</u>	<u>1,004,306</u>	<u>260,385</u>
Total expenditures	<u>2,093,191</u>	<u>2,093,191</u>	<u>1,583,138</u>	<u>510,053</u>
Excess of revenues over (under) expenditures	(1,843,191)	(1,388,263)	(1,476,858)	(88,595)
Other financing sources (uses):				
Transfers in	500,000	500,000	293,000	(207,000)
Net change in fund balance	(1,343,191)	(888,263)	(1,183,858)	(295,595)
Fund balance at beginning of year	709,566	709,566	709,566	-
Prior year encumbrances appropriated	428,536	428,536	428,536	-
Fund balance at end of year	\$ (205,089)	\$ 249,839	\$ (45,756)	\$ (295,595)

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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment income	<u>100</u>	<u>100</u>	<u>3,268</u>	<u>3,168</u>
Total revenues	<u>50,100</u>	<u>50,100</u>	<u>3,268</u>	<u>(46,832)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	154,500	154,500	117,286	37,214
Capital outlay	<u>144,428</u>	<u>144,428</u>	<u>-</u>	<u>144,428</u>
Total expenditures	<u>298,928</u>	<u>298,928</u>	<u>117,286</u>	<u>181,642</u>
Net change in fund balance	(248,828)	(248,828)	(114,018)	134,810
Fund balance at beginning of year	186,221	186,221	186,221	-
Prior year encumbrances appropriated	<u>116,028</u>	<u>116,028</u>	<u>116,028</u>	<u>-</u>
Fund balance at end of year	\$ <u>53,421</u>	\$ <u>53,421</u>	\$ <u>188,231</u>	\$ <u>134,810</u>

City of Amherst, Ohio

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

North Lake Street Tunnel Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 250,000	\$ -	\$ (250,000)
Expenditures:				
Current operations and maintenance:				
Transportation				
Personal services	30,000	30,000	-	30,000
Contractual services	72,800	72,800	12,200	60,600
Capital outlay	<u>285,000</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
Total expenditures	<u>387,800</u>	<u>387,800</u>	<u>12,200</u>	<u>375,600</u>
Excess of revenues over (under) expenditures	(387,800)	(137,800)	(12,200)	125,600
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Net change in fund balance	(387,800)	(47,800)	(12,200)	35,600
Fund balance at beginning of year	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Fund balance at end of year	\$ <u>(327,800)</u>	\$ <u>12,200</u>	\$ <u>47,800</u>	\$ <u>35,600</u>

City of Amherst, Ohio

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

Health Insurance Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ <u>950,000</u>	\$ <u>950,000</u>	\$ <u>910,610</u>	\$ <u>(39,390)</u>
Expenses:				
Contractual services	350,000	350,000	253,702	96,298
Claims	<u>700,000</u>	<u>700,000</u>	<u>518,920</u>	<u>181,080</u>
Total expenses	<u>1,050,000</u>	<u>1,050,000</u>	<u>772,622</u>	<u>277,378</u>
Net change in fund equity	(100,000)	(100,000)	137,988	237,988
Fund equity at beginning of year	<u>134,674</u>	<u>134,674</u>	<u>134,674</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>34,674</u></u>	\$ <u><u>34,674</u></u>	\$ <u><u>272,662</u></u>	\$ <u><u>237,988</u></u>

City of Amherst, Ohio

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

Cemetery Trust Fund

For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Interest	\$ 100	\$ 100	\$ 65	\$ (35)
Expenses:				
Capital outlay	<u>100</u>	<u>100</u>	<u>80</u>	<u>20</u>
Net change in fund equity	-	-	(15)	(15)
Fund equity at beginning of year	<u>4,051</u>	<u>4,051</u>	<u>4,051</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>4,051</u></u>	\$ <u><u>4,051</u></u>	\$ <u><u>4,036</u></u>	\$ <u><u>(15)</u></u>

Statistical Section

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

City of Amherst, Ohio

Governmental Activities Revenues by Source and Expenses by Function

Last Two Years

	<u>2003</u>	<u>2002</u>
Program revenues:		
Charges for services	\$ 1,138,752	\$ 589,863
Operating grants and contributions	1,147,698	1,994,791
Capital grants and contributions	224,463	997,543
General revenues:		
Property taxes	994,262	1,174,344
Municipal income taxes	3,866,294	3,728,847
Grants and entitlements not restricted to specific programs	491,904	142,972
Investment earnings	286,316	330,833
Miscellaneous income	164,061	81,084
Transfers	<u>293,000</u>	<u>-</u>
Total	\$ <u>8,606,750</u>	\$ <u>9,040,277</u>
Expenses:		
General government	\$ 1,624,209	\$ 1,439,619
Security of persons and property	3,026,629	2,814,476
Public health and welfare	269,524	219,656
Transportation	1,632,491	1,248,114
Community development	348,226	423,510
Leisure time activities	324,696	171,378
Interest and fiscal charges	<u>151,803</u>	<u>127,272</u>
Total	\$ <u>7,377,578</u>	\$ <u>6,444,025</u>

Source: City of Amherst, Finance Department

City of Amherst, Ohio

Governmental Revenues by Source and Expenditures by Function ⁽¹⁾

Last Ten Years

	2003	2002	2001	2000
Revenues:				
Property and other local taxes	\$ 991,775	\$ 1,167,758	\$ 1,169,182	\$ 1,041,042
Municipal income taxes	3,788,947	3,725,200	3,651,332	3,343,168
Intergovernmental	1,725,403	2,401,816	2,124,088	1,611,675
Charges for services	314,972	350,321	532,846	539,138
Fees, licenses and permits	420,083	217,192	318,079	154,903
Contributions and donations	164,205	48,241	151,050	15,000
Special assessments	-	-	-	-
Investment income	286,316	330,833	694,517	988,512
Rental income	28,185	22,350	-	16,376
Miscellaneous income	135,306	81,084	134,786	61,796
Total	\$ <u>7,855,192</u>	\$ <u>8,344,795</u>	\$ <u>8,775,880</u>	\$ <u>7,771,610</u>
Expenditures:				
Current:				
General government	\$ 1,181,052	\$ 1,342,248	\$ 1,870,746	\$ 2,286,294
Security of persons and property	2,662,351	2,509,091	2,354,057	2,084,632
Public health and welfare	266,206	212,335	232,374	211,198
Transportation	1,029,501	791,440	946,083	856,361
Community development	344,776	153,245	171,746	206,578
Leisure time activities	193,476	414,298	233,885	156,305
Basic utility services	-	-	-	-
Capital outlay	3,346,438	1,518,687	1,986,509	800,320
Debt service:				
Principal retirement	133,000	156,440	162,359	125,161
Interest and fiscal charges	151,275	162,548	161,760	160,349
Total	\$ <u>9,308,075</u>	\$ <u>7,260,332</u>	\$ <u>8,119,519</u>	\$ <u>6,887,198</u>

Source: City financial records

(1) Information is based on modified accrual.

	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$	1,040,375	\$ 1,007,546	\$ 972,818	\$ 910,926	\$ 907,544	\$ 787,902
	3,448,136	3,339,333	2,986,265	3,156,450	2,828,240	2,746,359
	1,488,573	1,384,658	1,182,692	1,191,003	751,248	730,475
	472,839	394,814	342,182	455,777	401,807	324,523
	195,584	148,415	115,094	117,949	107,636	134,642
	-	-	-	-	-	-
	-	-	-	-	2,855	9,646
	845,505	542,981	453,349	410,243	484,963	502,931
	-	17,368	13,468	3,978	4,665	1,955
	<u>484,130</u>	<u>152,747</u>	<u>85,500</u>	<u>64,346</u>	<u>66,326</u>	<u>56,314</u>
\$	<u>7,975,142</u>	<u>6,987,862</u>	<u>6,151,368</u>	<u>6,310,672</u>	<u>5,555,284</u>	<u>5,294,747</u>
\$	1,666,854	\$ 1,038,884	\$ 1,010,571	\$ 822,054	\$ 574,354	\$ 855,902
	1,927,491	1,873,275	1,661,003	1,519,622	1,405,803	1,294,609
	183,883	226,816	157,076	143,368	113,481	104,924
	792,423	649,567	650,314	931,260	684,922	536,360
	131,734	109,571	91,357	63,865	124,636	119,312
	139,402	151,680	408,297	123,920	122,121	97,186
	-	-	81,935	83,989	13,283	13,878
	1,369,075	1,283,508	1,906,867	2,309,746	2,896,499	1,663,041
	276,000	101,000	96,000	91,000	92,681	90,000
	<u>195,468</u>	<u>280,350</u>	<u>183,009</u>	<u>183,150</u>	<u>180,737</u>	<u>190,263</u>
\$	<u>6,682,330</u>	<u>5,714,651</u>	<u>6,246,429</u>	<u>6,271,974</u>	<u>6,208,517</u>	<u>4,965,475</u>

City of Amherst, Ohio

Property Tax Levies and Collections

Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Total Tax Levy</u>	<u>Delinquent Tax Collections</u>
2003	\$ 1,182,379	\$ 1,150,168	97.28%	\$ 33,819
2002	1,161,290	1,124,502	96.83%	26,128
2001	1,149,617	1,118,764	97.32%	30,690
2000	1,022,049	990,743	96.94%	24,251
1999	1,014,406	987,449	97.34%	23,639
1998	1,060,110	1,033,552	97.49%	30,917
1997	811,095	785,675	96.87%	12,552
1996	779,678	764,027	97.99%	14,087
1995	746,027	730,196	97.88%	13,488
1994	660,763	648,457	98.14%	8,021

Source: Lorain County Auditor

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

<u>Total (1) Tax Collections</u>	<u>Percent of Total Tax Collections To Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
\$ 1,183,987	100.14%	\$ 30,799	2.60%
1,150,630	99.08	23,582	2.03
1,149,454	99.99	35,546	3.09
1,014,994	99.31	38,346	3.75
1,011,088	99.67	32,596	3.21
1,064,469	100.41	31,958	3.01
798,227	98.41	29,368	3.62
778,114	99.80	18,576	2.38
743,684	99.69	19,267	2.58
656,478	99.35	15,899	2.41

City of Amherst, Ohio

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

<u>Year</u>	<u>Real Property</u>		<u>Public Utility Property</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>
2003	\$ 242,214,990	\$ 692,034,257	\$ 3,944,970	\$ 4,482,920
2002	235,848,250	673,852,143	3,780,300	4,295,795
2001	231,059,630	660,170,371	5,692,860	6,469,159
2000	196,606,640	561,733,257	5,701,900	6,479,432
1999	191,456,420	547,018,343	5,853,200	6,651,364
1998	181,472,120	518,491,771	5,778,870	6,566,898
1997	148,646,190	424,703,400	5,811,310	6,603,761
1996	143,163,470	409,038,486	5,829,430	6,624,352
1995	135,840,110	388,114,600	6,584,340	7,482,205
1994	119,020,100	340,057,429	5,907,090	6,712,602

Source: Lorain County Auditor

- (1) This amount is calculated based on the following percentages:
 Real property is assessed at thirty-five percent of actual value.
 Public utility is assessed at eighty-eight percent of actual value.
 Tangible personal property is assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory.

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	
\$ 17,418,620	\$ 69,674,480	\$ 263,578,580	\$ 766,191,657	34.40%
19,348,620	77,394,480	258,977,170	755,542,418	34.28
18,953,000	75,812,000	255,705,490	742,451,531	34.44
18,188,231	72,752,924	220,296,771	640,965,613	34.40
18,834,889	75,339,556	216,144,509	629,099,262	34.36
167,914,700	67,658,800	204,165,690	592,717,469	34.45
17,451,520	69,806,080	171,909,020	501,113,241	34.31
15,788,151	63,152,604	164,781,051	478,815,442	34.41
19,880,686	79,522,744	162,305,136	475,119,549	34.16
19,266,639	77,066,556	144,193,829	423,836,587	34.02

City of Amherst, Ohio

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

Last Ten Years

<u>Year</u>	<u>City</u>	<u>Health District</u>	<u>Lorain County</u>	<u>Amherst Exempted School District</u>	<u>Lorain County Joint Vocational School</u>	<u>Total</u>
2003	\$ 4.75	\$ 1.00	\$ 12.89	\$ 62.05	\$ 2.45	\$ 83.14
2002	4.80	1.00	12.89	60.88	2.45	82.02
2001	6.13	-	10.79	62.42	2.45	81.79
2000	6.77	-	10.79	57.98	2.45	77.99
1999	6.77	-	10.79	57.98	2.45	77.99
1998	6.77	-	10.79	57.98	2.45	77.99
1997	6.77	-	12.69	57.98	2.45	79.89
1996	5.77	-	12.69	53.08	2.45	73.99
1995	5.77	-	12.69	53.08	2.45	73.29
1994	5.77	-	11.74	53.33	2.45	73.29

Source: Lorain County Auditor

City of Amherst, Ohio

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

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross (3) Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Total</u>	<u>Net General Bonded Debt Per Capita</u>
2003	11,797	\$ 263,578,580	\$ 2,948,000	\$ 395,556	\$ 2,562,444	0.97%	\$ 217.21
2002	11,797	258,977,170	2,781,000	541,686	2,239,314	0.86%	189.82
2001	11,797	255,705,490	2,904,000	482,033	2,421,967	0.95%	205.30
2000	10,332	220,496,771	3,027,000	430,891	2,596,109	1.18%	251.27
1999	10,332	216,144,509	3,145,000	449,543	2,695,457	1.25%	260.88
1998	10,332	204,165,690	3,421,000	440,005	2,980,995	1.46%	288.52
1997	10,332	171,909,020	2,822,000	313,507	2,508,493	1.46%	242.79
1996	10,332	164,781,051	2,918,000	195,720	2,722,280	1.65%	263.48
1995	10,332	162,305,136	3,009,000	141,972	2,867,028	1.77%	277.49
1994	10,332	144,193,829	3,100,000	109,499	2,990,501	2.07%	289.44

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

(2) Source: Lorain County Auditor

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

City of Amherst, Ohio

Computation of Legal Debt Margin

December 31, 2003

Assessed Valuation		\$ <u>263,578,580</u>
Debt Limit - 10.5% of Assessed Value (1)		27,675,751
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 2,948,000	
OPWC Loans	85,996	
Enterprise Funds' Notes	1,865,000	
Enterprise Funds' Bonds	4,770,000	
Enterprise Funds' OWDA Loan	5,935,709	
Enterprise Funds' OPWC Loan	<u>96,324</u>	
Total Gross Indebtedness	<u>15,701,029</u>	
Less: Debt Outside Limitations:		
OPWC Loan	85,996	
Enterprise Funds' Notes	1,865,000	
Enterprise Funds' Bonds	4,770,000	
Enterprise Funds' OWDA Loan	5,935,709	
Enterprise Funds' OPWC Loan	<u>96,324</u>	
Total Debt Outside Limitations	<u>12,753,029</u>	
Total Debt Applicable to Limitation - Within 10.5% Limitations	2,948,000	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitations	<u>395,556</u>	
Net Debt Within 10.5% Limitation		<u>2,552,444</u>
Overall Debt Margin Within 10.5% Limitation		\$ <u>25,123,307</u>
<hr/>		
Unvoted Debt Limitation - 5.5% of Assessed Value		\$ 14,496,822
Gross Indebtedness Authorized by Council	\$ <u>15,701,029</u>	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	<u>12,753,029</u>	
Debt Within 5.5% Limitation	2,948,000	
Less: Amount Available in Debt Service Fund	<u>395,556</u>	
Net Debt Within 5.5% Limitation		<u>2,552,444</u>
Unvoted Debt Margin Within 5.5% Limitation		\$ <u>11,944,378</u>

City of Amherst, Ohio

Computation of Direct and Overlapping Debt

December 31, 2003

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Amherst</u>
Direct:			
City of Amherst	\$ 2,948,000	100.00%	\$ 2,948,000
Overlapping:			
Lorain County	<u>25,320,000</u>	4.70%	<u>1,190,040</u>
Total	\$ <u><u>28,268,000</u></u>		\$ <u><u>4,138,040</u></u>

Source; Lorain County Auditor

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

City of Amherst, Ohio

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

Last Ten Years

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service To Total General Governmental Expenditures</u>
2003	\$ 128,000	\$ 145,267	\$ 273,267	\$ 9,308,075	2.94%
2002	123,000	148,708	271,708	7,260,332	3.74%
2001	123,000	154,295	277,295	8,119,519	3.42%
2000	118,000	159,548	277,548	6,887,198	4.03%
1999	276,000	188,729	464,729	6,682,330	6.95%
1998	101,000	145,682	246,682	5,714,651	4.32%
1997	96,000	149,630	245,630	6,271,974	3.89%
1996	91,000	153,234	244,234	6,271,974	3.89%
1995	91,000	156,526	247,526	6,208,517	3.99%
1994	90,000	162,764	252,764	4,965,475	5.09%

Source: City of Amherst, Auditor's Office

City of Amherst, Ohio

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Lorain County (3)</u>
2003	11,797	4,190	6.6%
2002	11,797	3,967	7.1%
2001	11,797	3,758	5.6%
2000	11,797	3,873	5.4%
1999	10,332	3,768	5.0%
1998	10,332	3,732	3.6%
1997	10,332	3,629	6.1%
1996	10,332	3,608	7.8%
1995	10,332	3,463	5.1%
1994	10,332	3,374	4.4%

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

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

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

City of Amherst, Ohio

Construction and Bank Deposits

Last Ten Years

<u>Year</u>	<u>New Construction Value (1)</u>		<u>Domestic Bank Deposits in the County (2, 3) (in thousands)</u>	<u>Assessed Value(4)</u>
	<u>Residential</u>	<u>Commercial/ Industrial</u>		
2003	\$ 21,372,258	\$ 8,987,846	\$ 649,005	\$ 263,578,580
2002	16,297,860	8,132,228	614,592	255,705,490
2001	13,896,947	15,372,806	555,591	255,705,490
2000	13,028,745	648,696	513,102	220,496,771
1999	19,091,385	1,038,000	463,993	216,144,509
1998	10,253,228	4,099,000	444,974	204,165,690
1997	9,228,019	4,170,000	1,381,977	171,909,020
1996	12,362,892	7,855,000	1,329,795	164,781,051
1995	11,736,877	7,161,000	1,237,991	164,781,051
1994	14,131,800	7,115,000	1,254,166	144,193,829

(1) Source: City of Amherst Building Department Reports

(2) Source: Federal Reserve Bank of Cleveland

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

(4) Source: Lorain County Auditor

City of Amherst, Ohio

Principal Taxpayers

December 31, 2003

<u>Taxpayer</u>	<u>Real Property Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Nordson, Inc.	\$ 5,381,620	2.04%
Amherst Plaza Limited	2,713,690	1.03%
Acadia Amherst, LLC	1,985,690	0.75%
Centurytel of Ohio, Inc.	1,512,530	0.57%
M Six Penvest II Business	944,430	0.36%
Amherst Manor Company	943,460	0.36%
Central Village LTD Company	885,880	0.34%
Ohio Edison	848,030	0.32%
Cawrse Richard, Jr.	835,800	0.32%
Pinecrest Apartments LTD	<u>767,390</u>	<u>0.29%</u>
Totals	\$ <u>16,818,520</u>	<u>6.38%</u>
Assessed Valuation	\$ <u>263,578,580</u>	

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

Source: Lorain County Auditor

City of Amherst, Ohio

Miscellaneous Statistics

December 31, 2003

Date of incorporation	1962
Form of government	Mayor/Council
Area	5.26 Square Miles
Miles of streets	67
Number of street lights	1,450
Fire protection:	
Number of stations	1
Number of firefighters and officers	35
Police protection:	
Number of stations	1
Number of policepersons and officers	35
Municipal water department:	
Active accounts	5,727
Average daily consumption	1,193,784 Gallons
Miles of water mains	42
Sewers:	
Active accounts	4,573
Average amount processed daily	1,007,740 Gallons
Miles of sanitary sewers	38
Miles of storm sewers	26
Electric accounts:	
Active accounts	5,495
Average daily consumption	242,898 Kilowatt Hours
Building permits issued	1,133
Recreation and culture:	
Number of parks	4
Number of libraries	1
Number of library volumes	74,784
Employees:	
Full-time	66
Part-time	70

City of Amherst, Ohio

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CPAs and Business Advisors

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

Members of the City Council
Amherst, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio, as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Amherst's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the City of Amherst in a separate letter dated May 17, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Amherst's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Amherst in a separate letter dated May 17, 2004.

 **C&P Advisors, LLC**
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
National Investor Services, Ltd.

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A member of National Associated CPA Firms

Members of the City Council
Amherst, Ohio

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panicki, Inc.

Cleveland, Ohio
May 17, 2004

City of Amherst, Ohio

Schedule of Findings

December 31, 2003

1. Summary of Auditor's Results

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

03-1 The Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from. Contrary to Section 5705.39, Ohio Revised Code, the original appropriations exceeded the original estimated revenues for the following funds:

<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Sobriety Checkpoint Fund	\$ -0-	\$ 19,890	\$ (19,890)
R U OK Fund	-0-	6,000	(6,000)
Drug Law Enforcement Fund	880	1,080	(200)
COPS Grant Fund	46,539	56,000	(9,461)
Issue II Improvement Fund	1,459,564	1,664,654	(205,091)
North Lake Street Tunnel Fund	60,000	387,800	(327,800)

3. Other Findings

None.

City of Amherst, Ohio

Schedule of Prior Audit Findings

December 31, 2003

Finding No.	Finding Summary	Fully Corrected?	Explanation
02-1	<p><u>Cash Management</u>– Home Investment Partnerships Program and Community Development Block Grant – CFDA No. 14.239 and 14.228 – U.S. Department of Housing and Urban Development – Pass-Through Ohio Department of Development.</p> <p>The OHCP Financial Management Rules and Regulations Handbook states that grantees receiving federal funds must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of Funds. Federal regulations 24 CFR 92 and 502 (c)(2) require that Non-Federal entities must expend funds which they receive from HUD within fifteen days of receipt of the funds. There were several instances throughout 2002 when the balance of funds, greater than \$5,000, were expended after fifteen days of receipt of those funds.</p>	Yes	No single audit was required in 2003; however, per discussions with client, the City is now spending funds prior to requesting reimbursements.

City of Amherst
480 Park Avenue
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**Response to Findings Associated with Audit Conducted
in Accordance with *Government Auditing Standards*
for the year ended December 31, 2003**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
03-1	The Auditor's Office will monitor appropriations and estimated revenues to ensure compliance. By yearend, the City was in compliance. The variances noted in the original budget were caused by timing differences of the original appropriation and the estimated revenues.	Ongoing	Diane Eswine, Auditor



**Auditor of State
Betty Montgomery**

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CITY OF AMHERST

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 5, 2004**