

**CITY OF AMHERST**

Lorain County, Ohio

Regular Audit

January 1, 2004 through December 31, 2004

Fiscal Year Audited Under GAGAS: 2004

**BALESTRA, HARR & SCHERER, CPAS, INC.**  
528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
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[www.bhscpas.com](http://www.bhscpas.com)





**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditor's Report* of the City of Amherst, Lorain County, prepared by Balestra, Harr & Scherer CPAs, Inc., for the audit period January 1, 2004 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY  
Auditor of State

October 18, 2005

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CITY OF AMHERST  
LORAIN COUNTY, OHIO

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 20, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

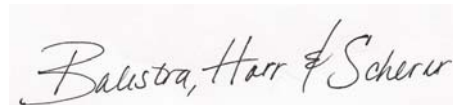
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2004-001 and 2004-002.

We noted certain matters that we reported to the City's management in a separate letter dated July 31, 2005.

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

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

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

Balestra, Harr & Scherer, CPAs, Inc.

July 31, 2005

**CITY OF AMHERST  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation**

**Condition**

During testing of the City's compliance with budgetary laws and regulations we noted that appropriations exceeded available resources for 2004 by \$147,254 in the CDBG Fund and \$743,374 in the Issue II fund.

**Criteria**

Ohio Revised Code section 5705.39 states that the total appropriation from each fund shall not exceed the total estimated revenue.

**Cause**

Appropriate monitoring controls were not in place.

**Effect**

Appropriations in excess of available resources leads to negative fund balances. This also caused the City to be non-compliant with the aforementioned Ohio Revised Code section.

**Recommendation**

The City should implement controls to mitigate the risk of future noncompliance.

**City Response**

The City intends to ensure that controls are put in place to ensure that total appropriations from each fund are properly monitored and appropriately modified so they will not exceed total estimated resources for each fund.

**FINDING NUMBER 2004-002**

**Noncompliance Citation**

**Condition**

During testing of the City's compliance with budgetary laws and regulations we noted that budgetary expenditures exceeded appropriations by \$2,323,666 in the Sewer fund.

**Criteria**

Ohio Revised Code section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

**Cause**

Appropriate monitoring controls were not in place.

**Effect**

This condition caused the City to be non-compliant with the aforementioned Ohio Revised Code section.

**Recommendation**

The City should implement controls to mitigate the risk of future noncompliance.

**City Response**

The City intends to ensure that controls are put in place to ensure that budgetary expenditures for each fund do not exceed total appropriations from each fund.



**CITY OF AMHERST  
LORAIN COUNTY**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
03-1	Citation of Ohio Revised Code Section 5705.39. Appropriations exceeded estimated resources.	No	Not Corrected, Repeated as Finding 2004-001.



**City of Amherst, Ohio**  
**Comprehensive Annual Financial Report**  
**December 31, 2004**



# City of Amherst, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2004

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# City of Amherst, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2004

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# City of Amherst, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2004

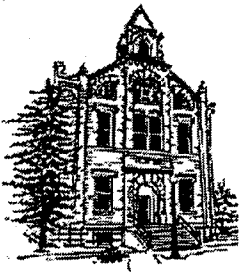
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# City of Amherst, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2004

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*City Of Amherst*  
David C. Kukucka, Auditor

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

July 20, 2005

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

We are pleased to submit to you the City of Amherst's third Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2004.

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

The Comprehensive Annual Financial Report is presented in three sections:

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

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

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

### **The Reporting Entity**

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

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

## **The City 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 a new exit at Route 58. 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. A new exit for the Ohio Turnpike just south of the Amherst City Limits along Rt. 58 opened in 2004. This will presumably spur new growth in that area. 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 third 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 Auditors' Report, providing an assessment of the City finances for 2004.

### **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 \$301,412.

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 2004. 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 Balestra, Harr, and Scherer, CPA's, Inc. was selected, as the independent auditor, to render an opinion on the City's financial statements as of December 31, 2004. The Independent Auditors' 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, 2003. This was our fifth 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,



David C. Kukucka  
Amherst City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Amherst,  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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.



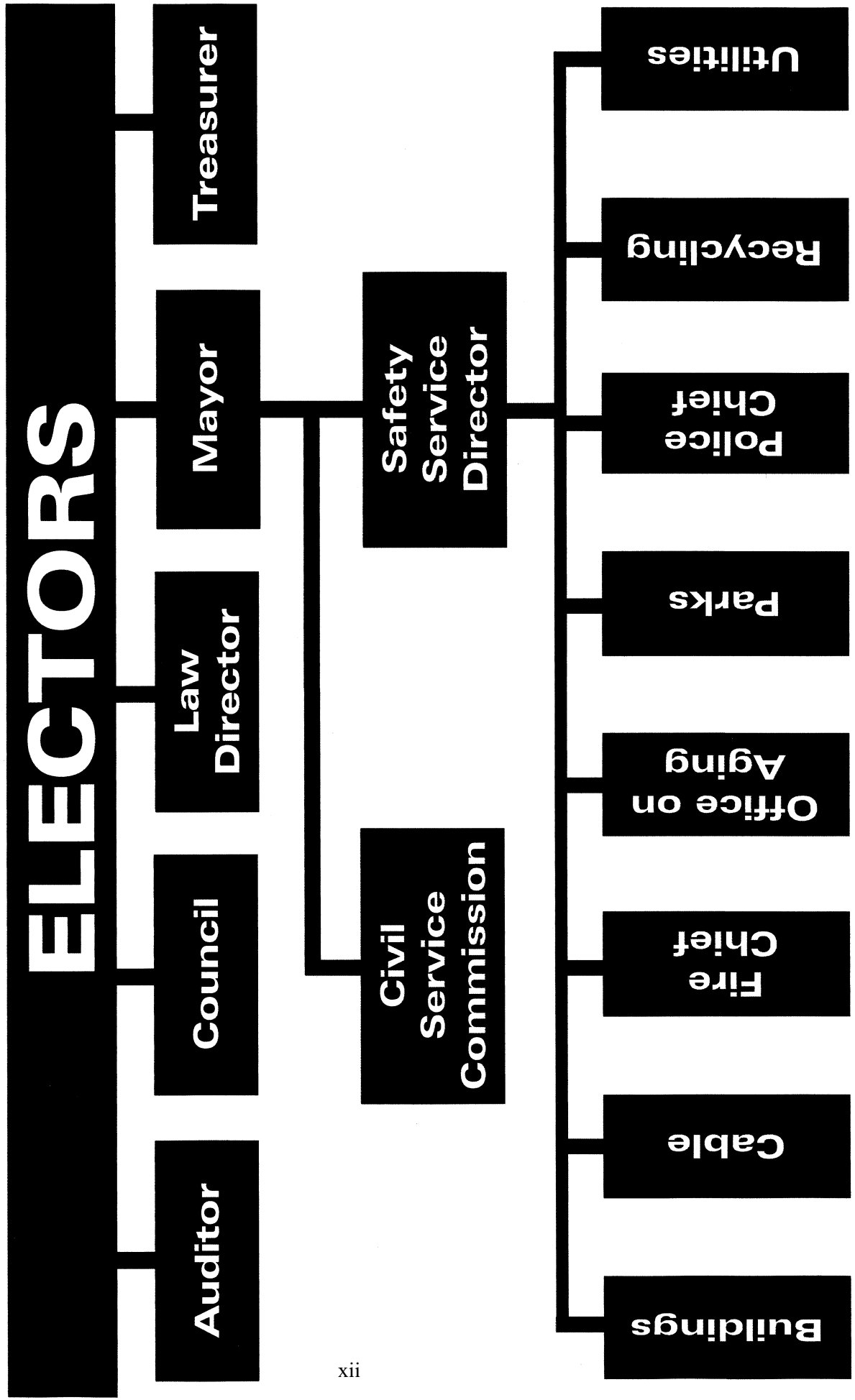
*Nancy L. Zielke*

President

*Jeffrey R. Emery*

Executive Director

# City of Amherst Departmental Organizational Chart





# City of Amherst, Ohio

## Principal Officials

---

### *Elected Officials*

Mayor .....	David G. Taylor
President of Council .....	John S. Dietrich
Council Member Ward 1 .....	Terrence A. Traster
Council Member Ward 2 .....	Edwin R. Cowger
Council Member Ward 3 .....	Mark L. Costilow
Council Member Ward 4 .....	Jennifer L. Scott-Wasilk
Council Member – At large .....	Nicholas Brusky
Council Member – At large .....	Joseph R. Gambish
Council Member – At large .....	Peter William VanderWyden
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 .....	Jami L. Anderson
Assistant Law Director .....	Scott F. Serazin
Civil Assistant to Law .....	Abraham Lieberman
Safety/Service Director .....	Dennis R. Clotz
Deputy Auditor .....	Richard Pless
Budgetary Clerk .....	Donna Rumpler/Keri Celik
Income Tax Secretary .....	Laura Kemp
Treasurer’s Administrative Assistant .....	Karen Flynn
Acting Chief Building Inspector .....	John Calvey
Building Inspector .....	Ron Konowal
Utilities Superintendent .....	Ron Merthe
Amherst Area Office on Aging Director .....	Nina Lorandaeu
Police Chief .....	Lonnie D. Dillon
Fire Chief .....	Wayne Northeim
Park Commission Chairman .....	Gordon Brown
Cable Station Manager .....	Charlene Duncan

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# BALESTRA, HARR & SCHERER

CERTIFIED PUBLIC ACCOUNTANTS

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

City of Amherst  
480 Park Avenue  
Amherst, Ohio 44001

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Lorain County, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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, as of December 31, 2004, and the respective changes in financial position and cash flows where applicable thereof, and the respective budgetary comparison for the general fund and major special revenue funds 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 July 20, 2005, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding 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's basic financial statements. The introductory and statistical sections, combining and individual fund statements and schedules listed in the table of contents provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Balestra, Harr & Scherer, CPAs, Inc.  
July 20, 2005

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

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The discussion and analysis of the City of Amherst's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. 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 2004 are:

- City income tax revenue totaled \$3,854,278.
- Total assets increased by \$4,234,791, or a 6.5 percent increase over 2003.
- Total net assets increased by \$1,462,017, or a 3.2 percent increase over 2003.
- Total capital assets increased by \$3,950,138, or a 10.5 percent increase over 2003.
- Total outstanding long-term liabilities increased by \$2,790,405. This was a 17.4 percent increase over 2003 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 2004?" 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, 2004

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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 Assets (Assets minus Liabilities)
- Program Revenues 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, 2004

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#### 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 2004 compared to 2003.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 15,086,735	\$ 15,225,705	\$ 13,297,879	\$ 12,874,256	\$ 28,384,614	\$ 28,099,961
Capital assets, net	<u>17,155,726</u>	<u>16,183,413</u>	<u>24,217,762</u>	<u>21,239,937</u>	<u>41,373,488</u>	<u>37,423,350</u>
Total assets	<u>32,242,461</u>	<u>31,409,118</u>	<u>37,515,641</u>	<u>34,114,193</u>	<u>69,758,102</u>	<u>65,523,311</u>
Current and other liabilities	2,390,858	1,670,060	1,311,515	2,049,944	3,702,373	3,720,004
Long-term liabilities:						
Due within one year	288,884	261,517	544,667	502,904	833,551	764,421
Due in more than one year	<u>2,789,142</u>	<u>2,993,819</u>	<u>15,186,952</u>	<u>12,261,000</u>	<u>17,976,094</u>	<u>15,254,819</u>
Total liabilities	<u>5,468,884</u>	<u>4,925,396</u>	<u>17,043,134</u>	<u>14,813,848</u>	<u>22,512,018</u>	<u>19,739,244</u>
Invested in capital assets, net of related debt	14,262,957	13,079,697	10,247,197	10,383,641	24,510,154	23,463,338
Restricted for:						
Capital Projects	5,635,261	6,029,078	-	-	5,635,261	6,029,078
Debt Service	257,053	395,556	-	-	257,053	395,556
Other purposes	969,055	1,072,223	-	-	969,055	1,072,223
Unrestricted	<u>5,649,251</u>	<u>5,907,168</u>	<u>10,225,310</u>	<u>8,916,704</u>	<u>15,874,561</u>	<u>14,823,872</u>
Total net assets	\$ <u>26,773,577</u>	\$ <u>26,483,722</u>	\$ <u>20,472,507</u>	\$ <u>19,300,345</u>	\$ <u>47,246,084</u>	\$ <u>45,784,067</u>

Total assets increased \$4,234,791 from 2003 to 2004 primarily because of the increase in capital assets in business type activities and somewhat due to our road program.

Total liabilities increased by \$2,772,774 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 \$1,462,017 due primarily to the increase in capital assets.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

Table 2 shows the changes in net assets for 2004 compared with 2003.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program Revenues:						
Charges for services	\$ 1,195,185	\$ 1,138,752	\$ 10,967,728	\$ 10,652,255	\$ 12,162,913	\$ 11,791,007
Operating grants and contributions	989,072	1,147,698	-	-	989,072	1,147,698
Capital grants and contributions	<u>242,451</u>	<u>224,463</u>	<u>-</u>	<u>-</u>	<u>242,451</u>	<u>224,463</u>
Total program revenues	<u>2,426,708</u>	<u>2,510,913</u>	<u>10,967,728</u>	<u>10,652,255</u>	<u>13,394,436</u>	<u>13,163,168</u>
General revenues:						
Property taxes	1,192,237	994,262	-	-	1,192,237	994,262
Municipal income taxes	3,854,278	3,866,294	-	-	3,854,278	3,866,294
Grants and entitlements	673,754	491,904	-	-	673,754	491,904
Investment income	301,412	286,316	-	-	301,412	286,316
Miscellaneous income	<u>210,157</u>	<u>164,061</u>	<u>3,825</u>	<u>11,820</u>	<u>213,982</u>	<u>175,881</u>
Total general revenues	<u>6,231,838</u>	<u>5,802,837</u>	<u>3,825</u>	<u>11,820</u>	<u>6,235,663</u>	<u>5,814,657</u>
Total revenues	<u>8,658,546</u>	<u>8,313,750</u>	<u>10,971,553</u>	<u>10,664,075</u>	<u>19,630,099</u>	<u>18,977,825</u>
Program Expenses:						
General government	2,317,483	1,624,209	-	-	2,317,483	1,624,209
Security of persons and property	2,855,859	3,026,629	-	-	2,855,859	3,026,629
Public health and welfare	209,452	269,524	-	-	209,452	269,524
Transportation	2,351,243	1,632,491	-	-	2,351,243	1,632,491
Community development	317,254	348,226	-	-	317,254	348,226
Leisure time activities	186,117	324,696	-	-	186,117	324,696
Interest and fiscal charges	128,868	151,803	-	-	128,868	151,803
Water	-	-	1,862,909	1,874,892	1,862,909	1,874,892
Sewer	-	-	2,038,345	2,084,577	2,038,345	2,084,577
Electric	-	-	<u>5,900,552</u>	<u>6,027,435</u>	<u>5,900,552</u>	<u>6,027,435</u>
Total program expenses	<u>8,366,276</u>	<u>7,377,578</u>	<u>9,801,806</u>	<u>9,986,904</u>	<u>18,168,082</u>	<u>17,364,482</u>
Increase in net assets before transfers	292,270	936,172	1,169,747	677,171	1,462,017	1,613,343
Transfers	<u>(2,415)</u>	<u>293,000</u>	<u>2,415</u>	<u>(293,000)</u>	<u>-</u>	<u>-</u>
Increase in net assets	\$ <u>289,855</u>	\$ <u>1,229,172</u>	\$ <u>1,172,162</u>	\$ <u>384,171</u>	\$ <u>1,462,017</u>	\$ <u>1,613,343</u>



# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

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#### *Governmental Activities*

Several revenue sources fund the City's governmental activities. These sources are grouped as either program or general revenues. City income tax contributes the largest share of resources for the governmental activities; constituting 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 2004, 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.

# **City of Amherst, Ohio**

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

### **For The Year Ended December 31, 2004**

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

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

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

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

#### ***Business-Type Activities***

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

The Water, Sewer and Electric Funds as a whole experienced an increase in revenues from 2003 to 2004. This increase is attributable to better weather conditions we had in June of 2004, increasing 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, 2004

**Table 3**

**Program Expenses**

	Governmental Activities		Business-Type Activities		Total	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2004</u>
General government	\$ 2,317,483	\$ 967,758	\$ -	\$ -	\$ 2,317,483	\$ 967,758
Security of persons and property	2,855,859	2,698,325	-	-	2,855,859	2,698,325
Public health and welfare	209,452	153,111	-	-	209,452	153,111
Transportation	2,351,243	1,637,762	-	-	2,351,243	1,637,762
Community development	317,254	267,894	-	-	317,254	267,894
Leisure time activities	186,117	85,850	-	-	186,117	85,850
Interest and fiscal charges	128,868	128,868	-	-	128,868	128,868
Water	-	-	1,862,909	(176,983)	1,862,909	(176,983)
Sewer	-	-	2,038,345	(353,739)	2,038,345	(353,739)
Electric	-	-	5,900,552	(635,200)	5,900,552	(635,200)
<b>Total Cost of Services</b>	<b>\$ <u>8,366,276</u></b>	<b>\$ <u>5,939,568</u></b>	<b>\$ <u>9,801,806</u></b>	<b>\$ <u>(1,165,922)</u></b>	<b>\$ <u>18,168,082</u></b>	<b>\$ <u>4,773,646</u></b>

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 and other financing sources of \$8,763,685 and expenditures and other financing uses of \$9,665,555. The most significant fund is the General Fund with a year-end balance of \$2,930,352, which included an unreserved fund balance of \$2,789,773, compared to annual expenditures of \$3,979,192. While expenditures exceeded revenues by \$219,950, this was covered by the beginning fund balance of \$3,150,302.

The Street Construction, Maintenance and Repair Fund had a year end balance of \$346,730 with revenues of \$412,077, transfers in of \$400,000 and expenditures of \$907,745. There was a net decrease in fund balance of \$95,668.

The Street Improvement Income Tax Fund had a year end balance of \$4,309,290 with revenues of \$1,939,801, expenditures of \$1,942,011, and transfers out of \$188,500. There was a net decrease in fund balance of \$190,710.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

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#### *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 2004, the City amended its General Fund budget several times for a total increase in expenditures by only \$15,785. Starting in September 2004, all expenditures in excess of \$25,000 must go before Council for approval. Recommendations and requests for budget changes are referred to the Finance Committee of City Council for review, before being sent on to Council for Ordinance enactment on the change. Since the Appropriations Ordinance is passed on a line item level, any change to any line item is a formal amendment.

The General Fund's actual revenues exceeded final budgeted revenues by \$178,891 which was primarily due to intergovernmental actual revenues exceeding final budgeted revenues by \$113,333, fees, licenses and permits actual revenues exceeding final budgeted revenues by \$72,232, and interest actual revenues exceeding final budgeted revenues by \$66,722. These positive variances were partially offset by property tax actual revenues falling short of final budgeted revenues by \$92,071 and other categories make up the remaining differences.

The General Fund's actual expenditures were \$587,310 less than final budgeted expenditures with the primary reason due to general government actual expenditures being \$439,114 less than final budgeted expenditures. Actual transfers out were also \$680,067 less than the final amount budgeted.

The General Fund supports many major activities such as the Police Department, Fire Department, Building Department, as well as the legislative and executive activities. Some major capital projects are funded with General Fund dollars. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the General Fund by maintaining unreserved cash balance of \$2,412,511 at year-end due to more actual revenues coming into the City and less actual expenditures paid out by the City than the amounts budgeted for the year.

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

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#### Capital Assets and Debt Administration

##### Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 1,289,984	\$ 1,289,984	\$ 52,000	\$ 52,000	\$ 1,341,984	\$ 1,341,984
Construction in progress	-	-	9,357,962	5,935,709	9,357,962	5,935,709
Buildings	3,081,328	3,190,142	4,157,640	4,247,431	7,238,968	7,437,573
Improvements other than buildings	842,123	789,807	30,460	33,632	872,583	823,439
Machinery and equipment	1,259,912	1,195,472	5,399,332	5,476,604	6,659,244	6,672,076
Vehicles	764,481	355,139	85,163	118,732	849,644	473,871
Infrastructure:						
Roads	9,917,898	9,362,869	-	-	9,917,898	9,362,869
Water lines	-	-	2,224,894	2,291,994	2,224,894	2,291,994
Sewer lines	-	-	1,588,680	1,787,918	1,588,680	1,787,918
Electric lines	-	-	1,321,631	1,295,917	1,321,631	1,295,917
Total capital assets	\$ <u>17,155,726</u>	\$ <u>16,183,413</u>	\$ <u>24,217,762</u>	\$ <u>21,239,937</u>	\$ <u>41,373,488</u>	\$ <u>37,423,350</u>

Total capital assets for the City of Amherst as of December 31, 2004 were \$41,373,488. The most significant additions were in Construction in Progress, (Water Pollution Control Center), and in roads. See Note 7 to the basic financial statements for additional information.

The Water Pollution Control Center is scheduled for completion in 2005. 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 \$10,391,100. Engineering drawings, estimates and bidding had to be completed before the loan could be applied for.

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

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

# City of Amherst, Ohio

## Management's Discussion and Analysis (Unaudited)

### For The Year Ended December 31, 2004

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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, 2004, the City of Amherst had \$18,809,645 in bonds, loans, capital leases, compensated absences and notes outstanding with \$833,551 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>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 2,779,497	\$ 2,948,000	\$ 4,495,000	\$ 4,840,000	\$ 7,274,497	\$ 7,788,000
Notes payable	-	-	1,715,000	1,865,000	1,715,000	1,865,000
OWDA loans	-	-	9,357,962	5,935,709	9,357,962	5,935,709
OWPC loans	77,071	85,996	89,682	96,324	166,753	182,320
Capital leases	36,201	69,720	27,922	54,264	64,123	123,984
Compensated absences	<u>185,257</u>	<u>151,620</u>	<u>46,053</u>	<u>42,607</u>	<u>231,310</u>	<u>194,227</u>
Total	\$ <u>3,078,026</u>	\$ <u>3,255,336</u>	\$ <u>15,731,619</u>	\$ <u>12,833,904</u>	\$ <u>18,809,645</u>	\$ <u>16,089,240</u>

For the governmental activities there were three general obligation bonds outstanding as of December 31, 2004. The police and jail facility bonds have a balance of \$2,084,497 as of December 31, 2004 and are to be paid off in December 2018. The capital purpose bonds, which were originally issued for \$545,000 in 1998, have a balance of \$425,000 as of December 31, 2004 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. In 2004, OWPC loans for street improvements were issued in the amount of \$78,496. They are to be repaid in January 2024. The capital leases are paid from monies in the General, Street Construction, Maintenance and Repair and Office of Aging Funds. All capital leases will be repaid by 2007.

For the business-type activities there are five general obligation bonds outstanding. The water capital purpose bonds, which were originally issued for \$1,165,000 in 1999, have a balance of \$915,000 as of December 31, 2004 and will be paid off in December, 2018. The sewer refunding bonds, which were originally issued for \$1,298,615 in 2003, have a balance of \$1,130,880 as of December 31, 2004 and are to be paid off in December 2012. The sewer capital purpose bonds, which were originally issued for \$835,000 in 1999, have a balance of \$655,000 as of December 31, 2004 and will be paid of in December, 2018. The electric refunding bonds, which were originally issued for \$761,385 in 2003, have a balance of \$684,120 as of December 31, 2004 and are to be paid off in December 2012. The electric capital purpose bonds, which were originally issued for \$1,455,000 in 1999, have a balance of \$1,110,000 as of December 31, 2004 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

## **City of Amherst, Ohio**

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

#### **For The Year Ended December 31, 2004**

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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.

Please refer to Note 12 for further information about Long-Term Obligations; and Note 13 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 \$19,662,289 as of December 31, 2004. 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 in 2005.

#### **Economic Factors**

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

## **City of Amherst, Ohio**

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

#### **For The Year Ended December 31, 2004**

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

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

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

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and 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, David Kukucka, City of Amherst, 480 Park Avenue, Amherst, Ohio 44001, telephone 440-988-3742, email [auditor@amherstohio.org](mailto:auditor@amherstohio.org).



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## **Basic Financial Statements**

# City of Amherst, Ohio

## Statement of Net Assets

**December 31, 2004**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 11,439,592	\$ 7,694,681	\$ 19,134,273
Restricted assets:			
Customer deposits	-	176,009	176,009
Retainage	-	319,944	319,944
Accounts receivable	81,449	2,862,368	2,943,817
Intergovernmental receivable	648,842	136,392	785,234
Prepaid items	54,063	19,937	74,000
Supplies and materials inventory	134,665	248,153	382,818
Income taxes receivable	1,454,603	-	1,454,603
Property taxes receivable	1,273,521	-	1,273,521
Investment in joint venture	-	1,840,395	1,840,395
Non-depreciable capital assets	1,289,984	9,409,962	10,699,946
Depreciable capital assets, net	<u>15,865,742</u>	<u>14,807,800</u>	<u>30,673,542</u>
Total assets	<u>32,242,461</u>	<u>37,515,641</u>	<u>69,758,102</u>
<b>Liabilities:</b>			
Accounts payable	680,403	111,376	791,779
Contracts payable	70,001	461,449	531,450
Claims payable	41,341	-	41,341
Accrued wages and benefits	104,485	52,922	157,407
Intergovernmental payable	238,137	168,632	406,769
Accrued interest payable	13,175	21,184	34,359
Deferred revenue	1,243,316	-	1,243,316
Retainage payable	-	319,944	319,944
Customer deposits	-	176,008	176,008
Long-term liabilities:			
Due within one year	288,884	544,667	833,551
Due in more than one year	<u>2,789,142</u>	<u>15,186,952</u>	<u>17,976,094</u>
Total liabilities	<u>5,468,884</u>	<u>17,043,134</u>	<u>22,512,018</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	14,262,957	10,247,197	24,510,154
Restricted for:			
Capital projects	5,635,261	-	5,635,261
Debt service	257,053	-	257,053
Other purposes	969,055	-	969,055
Unrestricted	<u>5,649,251</u>	<u>10,225,310</u>	<u>15,874,561</u>
Total net assets	<u>\$ 26,773,577</u>	<u>\$ 20,472,507</u>	<u>\$ 47,246,084</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, 2004**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,317,483	\$ 1,094,527	\$ 250,812	\$ 4,386
Security of persons and property	2,855,859	2,081	124,286	31,167
Public health and welfare	209,452	36,241	20,100	-
Transportation	2,351,243	-	506,583	206,898
Community development	317,254	-	49,360	-
Leisure time activities	186,117	62,336	37,931	-
Interest and fiscal charges	<u>128,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>8,366,276</u>	<u>1,195,185</u>	<u>989,072</u>	<u>242,451</u>
Business-type activities:				
Water	1,862,909	2,039,892	-	-
Sewer	2,038,345	2,392,084	-	-
Electric	<u>5,900,552</u>	<u>6,535,752</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>9,801,806</u>	<u>10,967,728</u>	<u>-</u>	<u>-</u>
Total	\$ <u>18,168,082</u>	\$ <u>12,162,913</u>	\$ <u>989,072</u>	\$ <u>242,451</u>

General revenues and transfers:  
 Property taxes levied for:  
   General purposes  
   Debt service  
   Capital projects  
 Income tax levied for:  
   General purposes  
   Capital projects  
 Grants and entitlements not restricted to  
   Specific programs  
 Investment earnings  
 Miscellaneous income  
 Gain on sale of assets  
 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
\$ (967,758)	-	\$ (967,758)
(2,698,325)	-	(2,698,325)
(153,111)	-	(153,111)
(1,637,762)	-	(1,637,762)
(267,894)	-	(267,894)
(85,850)	-	(85,850)
<u>(128,868)</u>	<u>-</u>	<u>(128,868)</u>
<u>(5,939,568)</u>	<u>-</u>	<u>(5,939,568)</u>
-	176,983	176,983
-	353,739	353,739
<u>-</u>	<u>635,200</u>	<u>635,200</u>
<u>-</u>	<u>1,165,922</u>	<u>1,165,922</u>
<u>(5,939,568)</u>	<u>1,165,922</u>	<u>(4,773,646)</u>
766,973	-	766,973
189,916	-	189,916
235,348	-	235,348
1,914,477	-	1,914,477
1,939,801	-	1,939,801
673,754	-	673,754
301,412	-	301,412
206,882	-	206,882
3,275	3,825	7,100
<u>(2,415)</u>	<u>2,415</u>	<u>-</u>
<u>6,229,423</u>	<u>6,240</u>	<u>6,235,663</u>
289,855	1,172,162	1,462,017
<u>26,483,722</u>	<u>19,300,345</u>	<u>45,784,067</u>
\$ <u>26,773,577</u>	\$ <u>20,472,507</u>	\$ <u>47,246,084</u>

# City of Amherst, Ohio

## Balance Sheet Governmental Funds

**December 31, 2004**

	General	Street Construction, Maintenance and Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 2,521,065	\$ 316,085	\$ 4,527,847	\$ 3,796,812	\$ 11,161,809
Materials and supplies inventory	96,980	37,685	-	-	134,665
Accounts receivable	39,444	-	-	42,005	81,449
Interfund receivable	100,000	-	325,795	-	425,795
Intergovernmental receivable	367,798	204,871	-	76,173	648,842
Prepaid items	41,002	10,683	-	2,378	54,063
Income taxes receivable	916,400	-	538,203	-	1,454,603
Property taxes receivable	817,724	-	-	455,797	1,273,521
<b>Total assets</b>	<b>\$ <u>4,900,413</u></b>	<b>\$ <u>569,324</u></b>	<b>\$ <u>5,391,845</u></b>	<b>\$ <u>4,373,165</u></b>	<b>\$ <u>15,234,747</u></b>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 12,784	\$ 29,224	\$ 612,966	\$ 25,429	\$ 680,403
Contracts payable	-	-	35,130	34,871	70,001
Accrued wages and benefits	76,182	23,515	-	4,788	104,485
Interfund payable	-	-	-	425,795	425,795
Intergovernmental payable	852	117	-	70	1,039
Deferred revenue	1,880,243	169,738	434,459	524,756	3,009,196
<b>Total liabilities</b>	<b><u>1,970,061</u></b>	<b><u>222,594</u></b>	<b><u>1,082,555</u></b>	<b><u>1,015,709</u></b>	<b><u>4,290,919</u></b>
<b>Fund balances:</b>					
Reserve for encumbrances	140,579	28,481	1,291,700	1,199,197	2,659,957
Unreserved; undesignated, reported in:					
General fund	2,789,773	-	-	-	2,789,773
Special revenue funds	-	318,249	-	1,527,806	1,846,055
Debt service fund	-	-	-	257,053	257,053
Capital projects funds	-	-	3,017,590	373,400	3,390,990
<b>Total fund balances</b>	<b><u>2,930,352</u></b>	<b><u>346,730</u></b>	<b><u>4,309,290</u></b>	<b><u>3,357,456</u></b>	<b><u>10,943,828</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>4,900,413</u></b>	<b>\$ <u>569,324</u></b>	<b>\$ <u>5,391,845</u></b>	<b>\$ <u>4,373,165</u></b>	<b>\$ <u>15,234,747</u></b>

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, 2004**

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Total Governmental Funds balances \$ 10,943,828

*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. 17,155,726

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

Delinquent property taxes	\$ 30,207	
Municipal income taxes	1,174,214	
Intergovernmental	<u>561,459</u>	
Total		1,765,880

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. 236,442

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (13,175)

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 (237,098)

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

General Obligation Bonds	(2,779,497)	
OPWC loans	(77,071)	
Capital Leases	(36,201)	
Compensated Absences	<u>(185,257)</u>	
Total		<u>(3,078,026)</u>

*Net Assets of Governmental Activities* \$ 26,773,577

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, 2004**

	General	Street Construction, Maintenance and Repair	Street Improvement Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 762,836	\$ -	\$ -	\$ 425,264	\$ 1,188,100
Municipal income taxes	1,987,401	-	1,939,801	-	3,927,202
Intergovernmental	573,111	411,360	-	815,777	1,800,248
Charges for services	105,684	-	-	185,112	290,796
Fees, licenses and permits	364,857	-	-	2,081	366,938
Contributions and donations	4,386	-	-	-	4,386
Investment income	300,943	-	-	469	301,412
Reimbursements	-	-	-	56,950	56,950
Miscellaneous income	83,109	717	-	21,313	105,139
<b>Total revenues</b>	<b>4,182,327</b>	<b>412,077</b>	<b>1,939,801</b>	<b>1,506,966</b>	<b>8,041,171</b>
Expenditures:					
Current:					
General government	895,057	-	400,099	370,434	1,665,590
Security of persons and property	2,710,968	-	-	55,100	2,766,068
Public health and welfare	66,311	-	-	141,263	207,574
Transportation	-	907,745	648,096	105,408	1,661,249
Community development	208,381	-	-	110,383	318,764
Leisure time activities	-	-	-	172,837	172,837
Capital outlay	98,475	-	884,891	907,816	1,891,182
Debt service:					
Principal retirement	-	-	8,925	198,000	206,925
Interest and fiscal charges	-	-	-	98,505	98,505
<b>Total expenditures</b>	<b>3,979,192</b>	<b>907,745</b>	<b>1,942,011</b>	<b>2,159,746</b>	<b>8,988,694</b>
Excess of revenues over (under) expenditures	205,135	(495,668)	(2,210)	(652,780)	(947,523)
Other financing sources (uses):					
Proceeds from sale of equipment	48,068	-	-	-	48,068
Transfers in	2,297	400,000	-	272,149	674,446
Transfers out	(473,450)	-	(188,500)	(14,911)	(676,861)
<b>Total other financing sources (uses)</b>	<b>(423,085)</b>	<b>400,000</b>	<b>(188,500)</b>	<b>257,238</b>	<b>45,653</b>
Net change in fund balances	(219,950)	(95,668)	(190,710)	(395,542)	(901,870)
Fund balance at beginning of year	3,150,302	442,398	4,500,000	3,752,998	11,845,698
Fund balance at end of year	\$ 2,930,352	\$ 346,730	\$ 4,309,290	\$ 3,357,456	\$ 10,943,828

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, 2004**

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Net Change in Fund Balances - Total Governmental Funds \$ (901,870)

*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	\$ 1,770,976	
Depreciation	<u>(798,663)</u>	
Total		972,313

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

Delinquent property taxes	4,137	
Municipal income taxes	(72,924)	
Intergovernmental	<u>100,643</u>	
Total		31,856

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 240,444

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	(33,637)	
Intergovernmental	(15,182)	
Interest on bonds	<u>(30,363)</u>	
Total		(79,182)

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. 26,294

*Change in Net Assets of Governmental Activities* \$ 289,855

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 854,907	\$ 854,907	\$ 762,836	\$ (92,071)
Income taxes	1,945,469	1,945,469	1,925,572	(19,897)
Intergovernmental	455,997	455,997	569,330	113,333
Charges for services	84,612	84,612	105,642	21,030
Fees, licenses and permits	290,624	290,624	362,856	72,232
Contributions and donations	3,513	3,513	4,386	873
Interest	268,457	268,457	335,179	66,722
Miscellaneous	67,066	67,066	83,735	16,669
Total revenues	<u>3,970,645</u>	<u>3,970,645</u>	<u>4,149,536</u>	<u>178,891</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
General government	1,507,492	1,491,309	1,052,195	439,114
Security of persons and property	2,872,802	2,872,802	2,751,431	121,371
Public health and welfare	23,114	23,114	54,994	(31,880)
Community development	270,662	270,662	211,957	58,705
Total expenditures	<u>4,674,070</u>	<u>4,657,887</u>	<u>4,070,577</u>	<u>587,310</u>
Excess of revenues over (under) expenditures	<u>(703,425)</u>	<u>(687,242)</u>	<u>78,959</u>	<u>766,201</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	38,499	38,499	48,068	9,569
Transfers in	321,806	321,806	401,788	79,982
Advances out	(68,032)	(100,000)	(100,000)	-
Transfers out	(1,153,517)	(1,153,517)	(473,450)	680,067
Refunds and reimbursements	(520,000)	(520,000)	(449,596)	70,404
Total other financing sources (uses)	<u>(1,381,244)</u>	<u>(1,413,212)</u>	<u>(573,190)</u>	<u>840,022</u>
Net change in fund balance	(2,084,669)	(2,100,454)	(494,231)	1,606,223
Fund balance at beginning of year	2,736,434	2,736,434	2,736,434	-
Prior year encumbrances appropriated	<u>170,308</u>	<u>170,308</u>	<u>170,308</u>	<u>-</u>
Fund balance at end of year	\$ <u>822,073</u>	\$ <u>806,288</u>	\$ <u>2,412,511</u>	\$ <u>1,606,223</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 404,219	\$ 404,219	\$ 405,383	\$ 1,164
Miscellaneous	<u>714</u>	<u>714</u>	<u>716</u>	<u>2</u>
Total revenues	<u>404,933</u>	<u>404,933</u>	<u>406,099</u>	<u>1,166</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	435,000	435,000	420,566	14,434
Fringe benefits	213,680	213,680	172,662	41,018
Contractual services	239,611	239,611	84,454	155,157
Supplies and materials	157,930	157,930	242,825	(84,895)
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,968</u>	<u>32</u>
Total expenditures	<u>1,076,221</u>	<u>1,076,221</u>	<u>950,475</u>	<u>125,746</u>
Excess of revenues over (under) expenditures	(671,288)	(671,288)	(544,376)	126,912
Other financing sources (uses):				
Transfers in	<u>398,851</u>	<u>398,851</u>	<u>400,000</u>	<u>1,149</u>
Net change in fund balance	(272,437)	(272,437)	(144,376)	128,061
Fund balance at beginning of year	391,532	391,532	391,532	-
Prior year encumbrances appropriated	<u>28,462</u>	<u>28,462</u>	<u>28,462</u>	<u>-</u>
Fund balance at end of year	\$ <u>147,557</u>	\$ <u>147,557</u>	\$ <u>275,618</u>	\$ <u>128,061</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, 2004**

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Electric	Total	
<b>Assets:</b>					
<b>Current assets:</b>					
Equity in pooled cash and cash equivalents	\$ 812,960	\$ 3,866,074	\$ 3,015,647	\$ 7,694,681	\$ 277,783
<b>Restricted assets:</b>					
Customer deposits	54,399	17,289	104,321	176,009	-
Retainage	-	319,944	-	319,944	-
Accounts receivable	527,207	635,034	1,700,127	2,862,368	-
Intergovernmental receivable	-	136,392	-	136,392	-
Prepaid items	4,378	7,818	7,741	19,937	-
Materials and supplies inventory	38,412	28,693	181,048	248,153	-
Total current assets	<u>1,437,356</u>	<u>5,011,244</u>	<u>5,008,884</u>	<u>11,457,484</u>	<u>277,783</u>
<b>Noncurrent assets:</b>					
Investment in joint venture	-	-	1,840,395	1,840,395	-
Non-depreciable capital assets	45,000	9,357,962	7,000	9,409,962	-
Depreciable capital assets, net	3,664,470	8,030,889	3,112,441	14,807,800	-
Total noncurrent assets	<u>3,709,470</u>	<u>17,388,851</u>	<u>4,959,836</u>	<u>26,058,157</u>	<u>-</u>
Total assets	<u>5,146,826</u>	<u>22,400,095</u>	<u>9,968,720</u>	<u>37,515,641</u>	<u>277,783</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	45,857	22,478	43,041	111,376	-
Contracts payable	-	398,610	62,839	461,449	-
Claims payable	-	-	-	-	41,341
Accrued wages and benefits	10,509	19,623	22,790	52,922	-
Intergovernmental payable	86,080	37,723	44,829	168,632	-
Accrued interest payable	3,334	8,081	9,769	21,184	-
Compensated absences payable	765	1,276	3,062	5,103	-
Capital lease payable	-	27,922	-	27,922	-
General obligation bonds payable	50,000	165,851	139,149	355,000	-
AMP-Ohio notes payable	-	-	150,000	150,000	-
OPWC loan payable	-	6,642	-	6,642	-
<b>Payable from restricted assets:</b>					
Retainage	-	319,944	-	319,944	-
Customer deposits	57,324	20,371	98,313	176,008	-
Total current liabilities	<u>253,869</u>	<u>1,028,521</u>	<u>573,792</u>	<u>1,856,182</u>	<u>41,341</u>
<b>Long-term liabilities (net of current portion):</b>					
Compensated absences payable	7,464	19,283	14,204	40,951	-
OWDA loans payable	-	9,357,962	-	9,357,962	-
General obligation bonds payable	865,000	1,646,414	1,628,586	4,140,000	-
AMP-Ohio notes payable	-	-	1,565,000	1,565,000	-
OPWC loans payable	-	83,039	-	83,039	-
Total long-term liabilities	<u>872,464</u>	<u>11,106,698</u>	<u>3,207,790</u>	<u>15,186,952</u>	<u>-</u>
Total liabilities	<u>1,126,333</u>	<u>12,135,219</u>	<u>3,781,582</u>	<u>17,043,134</u>	<u>41,341</u>
<b>Net assets:</b>					
Invested in capital assets, net of related debt	2,794,470	6,101,021	1,351,706	10,247,197	-
Unrestricted	1,226,023	4,163,855	4,835,432	10,225,310	236,442
Total net assets	<u>\$ 4,020,493</u>	<u>\$ 10,264,876</u>	<u>\$ 6,187,138</u>	<u>\$ 20,472,507</u>	<u>\$ 236,442</u>

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, 2004**

	Business-Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Electric	Total	Self Insurance
Operating Revenues:					
Charges for services	\$ 2,039,470	\$ 2,387,469	\$ 6,492,361	\$ 10,919,300	\$ 537,451
Reimbursements	<u>422</u>	<u>4,615</u>	<u>43,391</u>	<u>48,428</u>	<u>-</u>
Total operating revenues	<u>2,039,892</u>	<u>2,392,084</u>	<u>6,535,752</u>	<u>10,967,728</u>	<u>537,451</u>
Operating Expenses:					
Personal services	337,000	773,268	921,636	2,031,904	-
Materials and supplies inventory	168,647	152,985	201,715	523,347	-
Contract services	1,193,148	665,525	4,487,700	6,346,373	230,378
Depreciation	122,516	319,366	172,634	614,516	-
Claims	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>280,779</u>
Total operating expenses	<u>1,821,311</u>	<u>1,926,144</u>	<u>5,783,685</u>	<u>9,531,140</u>	<u>511,157</u>
Operating income	<u>218,581</u>	<u>465,940</u>	<u>752,067</u>	<u>1,436,588</u>	<u>26,294</u>
Non-operating income (expenses):					
Interest and fiscal charges	(41,598)	(112,201)	(116,867)	(270,666)	-
Gain on disposal of capital asset	1,225	-	2,600	3,825	-
Transfers in	<u>805</u>	<u>805</u>	<u>805</u>	<u>2,415</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(39,568)</u>	<u>(111,396)</u>	<u>(113,462)</u>	<u>(264,426)</u>	<u>-</u>
Change in net assets	179,013	354,544	638,605	1,172,162	26,294
Net assets beginning of year, restated	<u>3,841,480</u>	<u>9,910,332</u>	<u>5,548,533</u>	<u>19,300,345</u>	<u>210,148</u>
Net assets end of year	\$ <u><u>4,020,493</u></u>	\$ <u><u>10,264,876</u></u>	\$ <u><u>6,187,138</u></u>	\$ <u><u>20,472,507</u></u>	\$ <u><u>236,442</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 Funds

**For The Year Ended December 31, 2004**

	Business - Type Activities			Total	Governmental Activities- Internal Service Fund
	Water	Sewer	Electric		
<b>Increase (decrease) in cash and cash equivalents:</b>					
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 1,976,939	\$ 2,358,090	\$ 6,342,737	\$ 10,677,766	\$ -
Deposits received	7,950	3,200	13,500	24,650	-
Deposits returned	(11,685)	-	(12,421)	(24,106)	-
Cash received from transactions with other funds	-	-	-	-	537,451
Cash received from other operating sources	1,647	4,615	45,991	52,253	-
Cash payments to suppliers for goods and services	(1,322,644)	(702,953)	(4,902,433)	(6,928,030)	(230,378)
Cash payments for claims	-	(15,000)	-	(15,000)	(302,401)
Cash payments for employee services and benefits	(392,474)	(769,536)	(912,031)	(2,074,041)	-
Net cash provided by operating activities	<u>259,733</u>	<u>878,416</u>	<u>575,343</u>	<u>1,713,492</u>	<u>4,672</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	805	805	400,296	401,906	-
Transfers out	-	-	(399,491)	(399,491)	-
Net cash provided by noncapital financing activities	<u>805</u>	<u>805</u>	<u>805</u>	<u>2,415</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>					
Debt proceeds	-	3,422,253	-	3,422,253	-
Retainer received	-	319,944	-	319,944	-
Acquisition of capital assets	(70,000)	(3,282,776)	(119,973)	(3,472,749)	-
Principal paid	(45,000)	(195,719)	(287,265)	(527,984)	-
Interest paid	(41,743)	(111,943)	(117,036)	(270,722)	-
Net cash provided by (used for) capital and related financing activities	<u>(156,743)</u>	<u>151,759</u>	<u>(524,274)</u>	<u>(529,258)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	103,795	1,030,980	51,874	1,186,649	4,672
Cash and cash equivalents, beginning of year	<u>763,564</u>	<u>3,172,327</u>	<u>3,068,094</u>	<u>7,003,985</u>	<u>273,111</u>
Cash and cash equivalents, end of year	\$ <u>867,359</u>	\$ <u>4,203,307</u>	\$ <u>3,119,968</u>	\$ <u>8,190,634</u>	\$ <u>277,783</u>

(continued)

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

# City of Amherst, Ohio

## Statement of Cash Flows (continued) Proprietary Funds

### For The Year Ended December 31, 2004

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Total</u>	<u>Governmental Activities- Internal Service Fund</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating Income	\$ 218,581	\$ 465,940	\$ 752,067	\$ 1,436,588	\$ 26,294
Adjustments:					
Depreciation	122,516	319,366	172,634	614,516	-
Gain on sale of assets	1,225	-	2,600	3,825	-
(Increase)/decrease in assets:					
Accounts receivable	(54,371)	(45,338)	(128,295)	(228,004)	-
Interfund receivable	601	19,284	-	19,885	-
Prepaid items	233	171	380	784	-
Materials and supplies inventory	276	(4,567)	38,114	33,823	-
Increase/(decrease) in liabilities:					
Accounts payable	27,023	(19,172)	(329,546)	(321,695)	-
Customer deposits	(810)	(125)	(4,929)	(5,864)	-
Contracts payable - operating	-	139,726	62,839	202,565	-
Claims payable	-	-	-	-	(21,622)
Accrued wages and benefits	1,293	283	4,413	5,989	-
Intergovernmental payable	(57,890)	2,785	3,533	(51,572)	-
Interfund payable	(67)	(601)	(126)	(794)	-
Compensated absences payable	<u>1,123</u>	<u>664</u>	<u>1,659</u>	<u>3,446</u>	<u>-</u>
Net cash provided by operating activities	\$ <u>259,733</u>	\$ <u>878,416</u>	\$ <u>575,343</u>	\$ <u>1,713,492</u>	\$ <u>4,672</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, 2004**

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	Private Purpose Trust	
	<u>Cemetery</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 4,023	\$ 9,101
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>2,489</u>
Total assets	<u>4,023</u>	<u>\$ 11,590</u>
Liabilities:		
Deposits held and due to others	<u>-</u>	<u>\$ 11,590</u>
Net assets:		
Held in trust for cemetery	<u>\$ 4,023</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, 2004**

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	<u>Private Purpose Trust Cemetery</u>
Additions:	
Interest	\$ 80
Deduction	<u>93</u>
Change in net assets	(13)
Net assets beginning of year	<u>4,036</u>
Net assets end of year	\$ <u><u>4,023</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, 2004**

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

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

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, 2004**

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#### **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, 2004**

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**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 Special Revenue Fund*

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

*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, 2004**

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#### **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, 2004**

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#### **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, 2004**

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## **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, 2004**

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

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

During 2004, 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, 2004.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2004 amounted to \$300,943 which includes \$287,449 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, 2004**

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**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, 2004**

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#### **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, 2004**

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

##### ***Q. Interfund Activity***

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

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

##### ***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, 2004

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#### **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	\$ (219,950)	\$ (95,668)
Net adjustment for revenue accruals	323,757	(5,978)
Fair value adjustment for investments	42,943	-
Net adjustment for expenditures	(489,484)	(2,263)
Encumbrances	<u>(151,497)</u>	<u>(40,467)</u>
Budget Basis	\$ <u>(494,231)</u>	\$ <u>(144,376)</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, 2004**

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#### **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, 2004

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

##### *Deposits*

At year end, the carrying amount of the City's deposits was \$6,910,198, and the bank balance was \$7,212,354. Of the bank balance:

1. \$300,000 was covered by the federal depository insurance;
2. \$6,912,354 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	\$ 500,000	\$ 500,000
Federal Home Loan Bank Notes	10,416,667	10,416,667
Federal National Mortgage Assn. Notes	755,000	755,000
STAROhio	-	1,063,974
Total Investments	<u>\$ 11,671,667</u>	<u>\$ 12,735,641</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	\$ 19,645,839	\$ -
Investments:		
Federal Home Loan Mortgage Corp. Notes	(500,000)	500,000
Federal Home Loan Bank Notes	(10,416,667)	10,416,667
Federal National Mortgage Assn. Notes	(755,000)	755,000
STAROhio	<u>(1,063,974)</u>	<u>1,063,974</u>
GASB Statement No. 3	<u>\$ 6,910,198</u>	<u>\$ 12,735,641</u>

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

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#### **Note 5: Receivables**

Receivables at December 31, 2004, 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 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004 on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

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. 2004 public utility property taxes which became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. 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, 2004, was \$5.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 274,744,430
Public Utility	3,824,890
Tangible Personal	<u>14,702,555</u>
Total	\$ <u><u>293,271,875</u></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, 2004**

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 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 2004 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	\$ 421,685
Inheritance estate tax	69,554
Homestead and rollback	155,171
Liquor and beer permits	<u>2,432</u>
Total	<u>\$ 648,842</u>



# City of Amherst, Ohio

Notes To The Basic Financial Statements

## For The Year Ended December 31, 2004

### Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2004, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>			<u>Total</u>
	<u>General Fund</u>	<u>Street Improvement Income Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 2,297	\$ 2,297
Street Construction, Maintenance and Repair	400,000	-	-	400,000
Water Fund	-	-	805	805
Sewer Fund	-	-	805	805
Electric Fund	-	-	805	805
Nonmajor Governmental Funds	73,450	188,500	10,199	272,149
Total	\$ <u>473,450</u>	\$ <u>188,500</u>	<u>14,911</u>	\$ <u>676,861</u>

The General Fund transfers to the Nonmajor governmental funds and to the Street Maintenance Fund were made to provide additional resources for current operations, and to meet matching fund requirements for some grants. The Street Improvement transfer to the Nonmajor governmental funds were made to provide additional resources for current street projects.

B. As of December 31, 2004, interfund balances were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 100,000
Street Improvement Income Tax	Nonmajor Governmental Funds	<u>325,795</u>
		\$ <u>425,795</u>

Interfund receivable/payable balances at December 31, 2004, consisted of an advance to Park Avenue Capital Projects Fund for a street construction project payable back to Street Improvement Income Tax Fund; and an advance from the General Fund to the CDBG to provide additional resources for current community projects.

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

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#### Note 7: Capital Assets

	Adjusted Balance <u>12-31-03</u>	<u>Additions</u>	<u>Disposals</u>	Adjusted Balance <u>12-31-04</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ <u>1,289,984</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,289,984</u>
Capital assets, being depreciated:				
Building	4,337,862	-	-	4,337,862
Improvements other than buildings	1,018,895	101,092	-	1,119,987
Machinery and Equipment	1,924,895	221,105	-	2,146,000
Vehicles	1,621,718	537,418	(86,612)	2,072,524
Infrastructure:				
Roads	<u>12,651,933</u>	<u>911,361</u>	<u>-</u>	<u>13,563,294</u>
Total capital assets, being depreciated	<u>21,555,303</u>	<u>1,770,976</u>	<u>(86,612)</u>	<u>23,239,667</u>
Less accumulated depreciation:				
Buildings	(1,147,720)	(108,814)	-	(1,256,534)
Improvements other than buildings	(229,088)	(48,776)	-	(277,864)
Machinery and Equipment	(729,423)	(156,665)	-	(886,088)
Vehicles	(1,266,579)	(128,076)	86,612	(1,308,043)
Infrastructure:				
Roads	<u>(3,289,064)</u>	<u>(356,332)</u>	<u>-</u>	<u>(3,645,396)</u>
Total accumulated depreciation	<u>(6,661,874)</u>	<u>(798,663)</u>	<u>86,612</u>	<u>(7,373,925)</u>
Total capital assets, being depreciated, net	<u>14,893,429</u>	<u>972,313</u>	<u>-</u>	<u>15,865,742</u>
Total governmental activities capital assets, net	\$ <u>16,183,413</u>	\$ <u>972,313</u>	\$ <u>-</u>	\$ <u>17,155,726</u>

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

#### Note 7: Capital Assets (continued)

	Adjusted Balance <u>12/31/03</u>	<u>Additions</u>	<u>Deletions</u>	Adjusted Balance <u>12/31/04</u>
<b>Business - Type Activities:</b>				
Capital assets, not being depreciated:				
Construction -in-Progress	\$ 5,935,709	\$ 3,422,253	\$ -	\$ 9,357,962
Land	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>52,000</u>
Total capital assets, not being depreciated	<u>5,987,709</u>	<u>3,422,253</u>	<u>-</u>	<u>9,409,962</u>
Capital assets, being depreciated:				
Building	5,583,874	-	-	5,583,874
Improvements other than buildings	63,424	-	-	63,424
Machinery and equipment	7,669,053	79,400	-	7,748,453
Vehicles	593,713	-	(60,966)	532,747
Infrastructure:				
Water lines	3,793,515	-	-	3,793,515
Sewer lines	4,197,078	-	-	4,197,078
Electric lines	<u>1,702,737</u>	<u>90,688</u>	<u>-</u>	<u>1,793,425</u>
Total capital assets, being depreciated	<u>23,603,394</u>	<u>170,088</u>	<u>(60,966)</u>	<u>23,712,516</u>
Less accumulated depreciation:				
Buildings	(1,336,443)	(89,791)	-	(1,426,234)
Improvements other than buildings	(29,792)	(3,172)	-	(32,964)
Machinery and equipment	(2,192,449)	(156,672)	-	(2,349,121)
Vehicles	(474,981)	(33,569)	60,966	(447,584)
Infrastructure:				
Water lines	(1,501,521)	(67,100)	-	(1,568,621)
Sewer lines	(2,409,160)	(199,238)	-	(2,608,398)
Electric lines	<u>(406,820)</u>	<u>(64,974)</u>	<u>-</u>	<u>(471,794)</u>
Total accumulated depreciation	<u>(8,351,166)</u>	<u>(614,516)</u>	<u>60,966</u>	<u>(8,904,716)</u>
Total capital assets, being depreciated, net	<u>15,252,228</u>	<u>(444,428)</u>	<u>-</u>	<u>14,807,800</u>
Total business-type capital assets, net	\$ <u>21,239,937</u>	\$ <u>2,977,825</u>	\$ <u>-</u>	\$ <u>24,217,762</u>

\*Depreciation expense was charged to governmental activities as follows:

General government	\$ 88,693
Security of persons and property	209,520
Public health and welfare	4,114
Transportation	472,575
Community development	1,069
Leisure time activities	<u>22,692</u>
Total depreciation expense	\$ <u>798,663</u>

# City of Amherst, Ohio

Notes To The Basic Financial Statements

**For The Year Ended December 31, 2004**

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## **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 2004 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, 2004, 2003 and 2002 were \$375,965, \$372,435, and \$236,189, respectively. The full amount has been contributed for 2003 and 2002. 76.6 percent has been contributed for in 2004, 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, 2004**

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#### **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, 2004, 2003, and 2002 were \$159,351, \$159,300, and \$179,986 respectively. The full amount has been contributed for 2003 and 2002. 65.5 percent has been contributed for 2004 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 2004 and 2003 employer contribution rate was 13.55 percent of covered payroll, of which 4.0 percent was used to fund health care for 2004 and 5.0 percent was used to fund health care for 2003.

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, 2003, 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 369,885. The City's actual contributions for 2004 which were used to fund postemployment benefits were \$121,437. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

## City of Amherst, Ohio

Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2004**

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#### **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 2004 and 2003. 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 2004 that were used to fund postemployment benefits were \$63,262 for police. The OP&F's total health care expenses for the year ended December 31, 2003, (the latest information available) were \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 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, 2004**

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#### **Note 11: Risk Management**

##### **A. Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 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 \$41,341, reported in the self-insurance fund at December 31, 2004, 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, 2004

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### Note 11: Risk Management (continued)

#### C. Medical (continued)

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

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

### Note 12: Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>				
Jackson and Quarry bridge various	1979	7.00%	\$ 312,000	12/1/04
Police and Jail facility	2003	2.00-4.25	2,195,000	12/1/18
Capital purpose	1998	3.50-4.55	545,000	12/1/18
Real estate acquisition bonds	2003	2.50-4.625	295,000	12/1/13
Water capital purpose bonds	1999	4.55	1,165,000	12/1/18
Sewer refunding bonds	2003	2.00-5.75	1,258,615	12/1/12
Sewer capital purpose bonds	1999	4.55	835,000	12/1/18
Electric refunding bonds	2003	2.00-5.75	761,385	12/1/12
Electric capital purpose bonds	1999	4.55	1,455,000	12/1/18
<b>Notes</b>				
Amp-Ohio Electric System improvement notes	2000	1.60	2,200,000	12/31/20
<b>OWPC Loans</b>				
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
<b>OWDA Loans</b>				
	2004	3.65	5,935,709	7/1/24



# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

#### Note 12: Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the City during 2004 follows:

	Amount Outstanding 12/31/03	Additions	Reductions	Amount Outstanding 12/31/04	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Jackson and Quarry Bridge Various	\$ 13,000	\$ -	\$ 13,000	\$ -	\$ -
Police and Jail Facility	2,195,000	29,497	140,000	2,084,497	140,000
Capital Purpose	445,000	-	20,000	425,000	25,000
Real Estate Acquisition Bonds	295,000	-	25,000	270,000	30,000
Total General Obligation Bonds	<u>2,948,000</u>	<u>29,497</u>	<u>198,000</u>	<u>2,779,497</u>	<u>195,000</u>
OPWC loans	85,996	-	8,925	77,071	6,425
Capital Lease	69,720	-	33,519	36,201	31,910
Compensated Absences	151,620	185,258	151,621	185,257	55,549
Total Governmental Activities	<u>\$ 3,255,336</u>	<u>\$ 214,755</u>	<u>\$ 392,065</u>	<u>\$ 3,078,026</u>	<u>\$ 288,884</u>
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 960,000	\$ -	\$ 45,000	\$ 915,000	\$ 50,000
Sewer Refunding Bonds	1,258,615	-	127,735	1,130,880	130,851
Sewer Capital Purpose Bonds	690,000	-	35,000	655,000	35,000
Electric Refunding Bonds	761,385	-	77,265	684,120	79,149
Electric Capital Purpose Bonds	1,170,000	-	60,000	1,110,000	60,000
Total General Obligation Bonds	<u>4,840,000</u>	<u>-</u>	<u>345,000</u>	<u>4,495,000</u>	<u>355,000</u>
AMP-Ohio Electric Systems Improvement	1,865,000	-	150,000	1,715,000	150,000
OPWC loans	96,324	-	6,642	89,682	6,642
OWDA - WWTP Upgrade	5,935,709	3,422,253	-	9,357,962	-
Capital Lease	54,264	-	26,342	27,922	27,922
Compensated Absences	42,607	46,054	42,608	46,053	5,103
Total Business - Type Activities	<u>\$ 12,833,904</u>	<u>\$ 3,468,307</u>	<u>\$ 570,592</u>	<u>\$ 15,731,619</u>	<u>\$ 544,667</u>

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

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

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

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

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

The City's overall legal debt margin was \$27,399,318 at December 31, 2004. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2004 are as follows:

	Governmental Activities			Totals	
	General Obligation Bonds		OPWC	Principal	Interest
	Principal	Interest	Loans		
2005	\$ 195,000	\$ 93,400	\$ 6,425	\$ 201,425	\$ 93,400
2006	200,000	88,875	3,925	203,925	88,875
2007	200,000	84,225	3,925	203,925	84,225
2008	205,000	78,901	3,925	208,925	78,901
2009	210,000	72,987	3,925	213,925	72,987
2010-2014	845,000	515,036	19,625	864,625	515,036
2015-2019	895,000	97,630	19,625	914,625	97,630
2020-2024	-	-	15,696	15,696	-
Totals	\$ <u>2,750,000</u>	\$ <u>1,031,054</u>	\$ <u>77,071</u>	\$ <u>2,827,071</u>	\$ <u>1,031,054</u>

The above amortization schedule does not agree to the general obligation bonds payable amount on the previous page due to the fact that it does not include the Capital Appreciation Bonds that will be due in 2013 and 2014 in the amount of \$255,000. Capital Appreciation Bonds were accreted in the amount of \$29,497 for fiscal year 2004.

	Business-Type Activities						Totals	
	General Obligation Bonds		Notes		OPWC	Principal	Interest	
	Principal	Interest	Principal	Interest	Loans			
2005	\$ 355,000	\$ 186,863	\$ 150,000	\$ 27,440	\$ 6,642	\$ 511,642	\$ 214,303	
2006	365,000	175,231	150,000	25,040	6,642	521,642	200,271	
2007	370,000	162,520	150,000	22,640	6,642	526,642	185,160	
2008	390,000	149,198	150,000	20,240	6,642	546,642	169,438	
2009	390,000	134,475	150,000	17,840	6,642	546,642	152,315	
2010-2014	1,690,000	419,120	750,000	53,200	33,210	2,473,210	472,320	
2015-2019	<u>935,000</u>	<u>108,416</u>	<u>215,000</u>	<u>4,480</u>	<u>23,262</u>	<u>1,173,262</u>	<u>112,896</u>	
Totals	\$ <u>4,495,000</u>	\$ <u>1,335,823</u>	\$ <u>1,715,000</u>	\$ <u>170,880</u>	\$ <u>89,682</u>	\$ <u>6,299,682</u>	\$ <u>1,506,703</u>	

The OWDA Loan for the Sewer project was still open at December 31, 2004. No amortization schedule has been included as the project was not completed. Once the project is complete and the loan amortization has been finalized, the loan will be included in the amortization schedule.

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2004

#### **Note 13: 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	(49,463)	(26,433)
Lease property, net of depreciation	<u>\$ 116,688</u>	<u>\$ 105,727</u>

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:

December 31,	Governmental Activities	Business-type Activities
2005	\$ 33,605	\$ 29,593
2006	2,574	-
2007	1,716	-
Total minimum lease payments	37,895	29,593
Less: amount representing interest	1,694	1,671
Present value of minimum lease payments	<u>\$ 36,201</u>	<u>\$ 27,922</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 14: Contractual Commitments**

At December 31, 2004, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Jackson Street Bridge	\$ 978,812	\$ 607,822	\$ 370,990
Sanitary Storm Sewers	310,400	236,159	74,241
WWPC Improvements	9,330,531	7,569,057	1,761,474
North Lake Street	93,000	45,918	47,082
City Hall Auditorium	108,720	44,415	64,305
	<u>\$ 10,821,463</u>	<u>\$ 8,503,371</u>	<u>\$ 2,318,092</u>

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2004**

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#### **Note 15: 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 \$35,534 during 2004 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 16: 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 \$53,177, which represents 70 percent of total contributions, in 2004. The Township contributes 30 percent of the required funds. The City's contribution is recorded in the General Fund. Complete financial statements can be obtained from the Sandstone Joint Ambulance District, Amherst, Ohio.

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

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$103,240 to the joint venture for 2004. 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, 2004, the City's requirement under the agreement was \$1,715,000 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 \$1,748,858 at December 31, 2004. 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, 2004**

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#### **Note 17: 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, 2004.

##### **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, 2004.

#### **Note 18: Changes in Accounting Principle**

For 2004, the City has implemented GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units".

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

The implementation of GASB Statement No. 39 did not affect the presentation of the financial statements of the City.

#### **Note 19: Restatement of Prior Year Balances**

	Business-Type Activities			Total
	Water	Sewer	Electric	
Net assets, December 31, 2003	\$ 3,671,808	\$ 9,757,638	\$ 5,032,326	\$ 18,461,772
Adjustments:				
Adjustment to debt balances	-	(43,615)	(26,385)	(70,000)
Unbilled receivables	169,672	196,309	542,592	908,573
Restated net assets, December 31, 2003	\$ <u>3,841,480</u>	\$ <u>9,910,332</u>	\$ <u>5,548,533</u>	\$ <u>19,300,345</u>

During the current year it was determined that unbilled receivables and debt balances had not been properly recorded. Therefore, during the current year the correction was made, thereby correcting the beginning balances.

# City of Amherst, Ohio

Notes To The Basic Financial Statements

## For The Year Ended December 31, 2004

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### Note 20: Accountability and Compliance

#### A. *Accountability*

The following funds had deficit fund balances as of December 31, 2004:

<u>Fund Name</u>	<u>Amount of Deficit</u>
CDBG Downtown	\$ 1,244

#### 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>
Office on Aging Fund	\$ 164,674	\$ 173,478	\$ 8,804
Assistance to Firefighters Grant Fund	5,389	5,391	2
Sobriety Checkpoint Fund	6,374	6,380	6
FEMA	4,698	4,712	14
Recycling Fund	130,071	133,000	2,929
CDBG Downtown Fund	161,156	308,410	147,254
CDBG Improvements Fund	4,215	33,000	28,785

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

<u>Fund Name</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Office on Aging Fund	\$ 164,674	\$ 173,478	\$ 8,804
Assistance to Firefighters Grant Fund	5,389	5,391	2
Sobriety Checkpoint Fund	6,374	6,380	6
DUI Fund	4,026	7,489	3,463
FEMA	4,698	4,712	14
Recycling Fund	130,071	133,000	2,929
CDBG Downtown Fund	161,156	308,410	147,254
CDBG Improvements Fund	4,215	33,000	28,785
Issue II Improvement Fund	2,278,011	3,021,385	743,374

# City of Amherst, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2004**

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#### **Note 20:      Accountability and Compliance**

#### ***B.      Legal Compliance (continued)***

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

<u>Fund Name</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
City council			
Materials and supplies	\$     6,576	\$     6,333	\$     243
Treasurer			
Salaries and wages	47,190	45,466	1,724
Law director			
Materials and supplies	183	-	183
Contractual services	8,525	7,500	1,025
Police department			
Salaries and wages	1,332,959	1,280,000	52,959
Capital outlay	67,795	53,262	14,533
Cemetery			
Contractual services	2,118	2,054	64
County health district			
Contractual services	35,534	-	35,534
Street Construction, Maintenance and Repair Fund:			
Transportation			
Materials and supplies	242,825	157,930	84,895
Sewer Fund:			
Capital outlay	8,739,693	5,721,811	3,017,882
Office on Aging:			
Public health and welfare			
Salaries and wages	79,014	76,000	3,014
Park Trust Fund:			
Leisure time activities			
Contractual services	14,300	10,967	3,333
Traffic Safety Grant Fund:			
Security of persons and property			
Salaries and wages	5,651	5,435	216
CDBG Downtown Fund:			
Community development			
Contractual services	50,476	50,000	476
General Obligations Bond Retirement Fund:			
General government	70,184	21,600	48,584

The noncompliance items related to Section 5705.39, Ohio Revised Code, are caused by timing differences between when the estimated revenues were approved and when the appropriations were approved. By the time the appropriations were approved, the Certificate of Estimated Resources had been amended and there were no noncompliance issues at this time.

**Combining Statements and  
Individual Fund Schedules**



## 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.

#### *FEMA Grant*

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

#### *Local Law Enforcement Fund*

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

#### *Traffic Safety Grant Fund*

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

#### *Disabled Parking*

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

(continued)

## City of Amherst, Ohio

### Combining Statements Nonmajor Governmental Funds (continued)

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

##### *Recycling Fund*

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

##### *CHIP Grant Fund*

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

##### *CDBG Downtown Fund*

To account for Federal grant monies designated for downtown restoration.

##### *Housing Program*

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, 2004**

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 1,841,906	\$ 257,053	\$ 1,697,853	\$ 3,796,812
Accounts receivable	42,005	-	-	42,005
Intergovernmental receivable	20,767	24,941	30,465	76,173
Prepaid items	2,378	-	-	2,378
Property taxes receivable	-	204,431	251,366	455,797
<b>Total assets</b>	<b>\$ 1,907,056</b>	<b>\$ 486,425</b>	<b>\$ 1,979,684</b>	<b>\$ 4,373,165</b>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,293	\$ -	\$ 17,136	\$ 25,429
Contracts payable	5,920	-	28,951	34,871
Accrued wages and benefits	4,788	-	-	4,788
Interfund payable	100,000	-	325,795	425,795
Intergovernmental payable	70	-	-	70
Deferred revenue	13,553	229,372	281,831	524,756
<b>Total liabilities</b>	<b>132,624</b>	<b>229,372</b>	<b>653,713</b>	<b>1,015,709</b>
<b>Fund balance:</b>				
Reserve for encumbrances	246,626	-	952,571	1,199,197
Unreserved; undesignated, reported in:				
Special revenue funds	1,527,806	-	-	1,527,806
Debt service funds	-	257,053	-	257,053
Capital projects funds	-	-	373,400	373,400
<b>Total fund balances</b>	<b>1,774,432</b>	<b>257,053</b>	<b>1,325,971</b>	<b>3,357,456</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,907,056</b>	<b>\$ 486,425</b>	<b>\$ 1,979,684</b>	<b>\$ 4,373,165</b>

# City of Amherst, Ohio

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

### For The Year Ended December 31, 2004

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and other local taxes	\$ -	\$ 189,916	\$ 235,348	\$ 425,264
Intergovernmental	554,060	24,646	237,071	815,777
Charges for services	185,112	-	-	185,112
Fees, licenses and permits	2,081	-	-	2,081
Investment income	469	-	-	469
Reimbursements	56,950	-	-	56,950
Miscellaneous income	<u>4,838</u>	<u>13,625</u>	<u>2,850</u>	<u>21,313</u>
Total revenues	<u>803,510</u>	<u>228,187</u>	<u>475,269</u>	<u>1,506,966</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	296,610	70,185	3,639	370,434
Security of persons and property	55,100	-	-	55,100
Public health and welfare	141,263	-	-	141,263
Transportation	105,408	-	-	105,408
Community development	67,766	-	42,617	110,383
Leisure time activities	172,837	-	-	172,837
Capital outlay	97,395	-	810,421	907,816
<b>Debt service:</b>				
Principal retirement	-	198,000	-	198,000
Interest and fiscal charges	<u>-</u>	<u>98,505</u>	<u>-</u>	<u>98,505</u>
Total expenditures	<u>936,379</u>	<u>366,690</u>	<u>856,677</u>	<u>2,159,746</u>
Excess of revenues over (under) expenditures	<u>(132,869)</u>	<u>(138,503)</u>	<u>(381,408)</u>	<u>(652,780)</u>
<b>Other financing sources (uses):</b>				
Transfers in	83,649	-	188,500	272,149
Transfers out	<u>(4,712)</u>	<u>-</u>	<u>(10,199)</u>	<u>(14,911)</u>
Total other financing sources (uses)	<u>78,937</u>	<u>-</u>	<u>178,301</u>	<u>257,238</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(53,932)	(138,503)	(203,107)	(395,542)
Fund balances at beginning of year	<u>1,828,364</u>	<u>395,556</u>	<u>1,529,078</u>	<u>3,752,998</u>
Fund balances at end of year	\$ <u><u>1,774,432</u></u>	\$ <u><u>257,053</u></u>	\$ <u><u>1,325,971</u></u>	\$ <u><u>3,357,456</u></u>

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2004**

	<u>State Highway</u>	<u>Street Maintenance and Repair Permissive</u>	<u>Park and Pool</u>	<u>Office on Aging</u>	<u>Planning Commission</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 72,150	\$ 306,106	\$ 142,101	\$ 23,488	\$ 686,244
Accounts receivable	-	-	8,224	2,389	-
Intergovernmental receivable	16,402	4,365	-	-	-
Prepaid items	<u>-</u>	<u>-</u>	<u>1,468</u>	<u>765</u>	<u>-</u>
Total assets	\$ <u>88,552</u>	\$ <u>310,471</u>	\$ <u>151,793</u>	\$ <u>26,642</u>	\$ <u>686,244</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 151	\$ -	\$ 130	\$ 299	\$ 4,087
Contracts payable	-	3,470	-	-	2,450
Accrued wages and benefits	-	-	871	3,225	-
Intergovernmental payable	-	-	-	-	-
Interfund payable	-	-	13	47	-
Deferred revenue	<u>13,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>13,704</u>	<u>3,470</u>	<u>1,014</u>	<u>3,571</u>	<u>6,537</u>
<b>Fund balances:</b>					
Reserved for encumbrances	336	176,357	393	4,344	45,007
Unreserved; undesignated (deficit)	<u>74,512</u>	<u>130,644</u>	<u>150,386</u>	<u>18,727</u>	<u>634,700</u>
Total fund balances (deficit)	<u>74,848</u>	<u>307,001</u>	<u>150,779</u>	<u>23,071</u>	<u>679,707</u>
Total liabilities and fund balances	\$ <u>88,552</u>	\$ <u>310,471</u>	\$ <u>151,793</u>	\$ <u>26,642</u>	\$ <u>686,244</u>

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<u>Park Trust</u>	<u>Cable Television</u>	<u>Assistance to Firefighters</u>	<u>Fire Act Grant</u>	<u>EMS Training</u>	<u>Sobriety Check-point</u>	<u>R U OK Grant</u>	<u>Law Enforcement</u>
\$ 180,154	\$ 248,640	\$ -	\$ 32,745	\$ 4,625	\$ 2,878	\$ 1,448	\$ 2,926
-	31,162	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	145	-	-	-	-	-	-
<u>\$ 180,154</u>	<u>\$ 279,947</u>	<u>\$ -</u>	<u>\$ 32,745</u>	<u>\$ 4,625</u>	<u>\$ 2,878</u>	<u>\$ 1,448</u>	<u>\$ 2,926</u>
\$ -	\$ 1,163	\$ -	\$ -	\$ -	\$ 459	\$ -	\$ -
-	-	-	-	-	-	-	-
-	692	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	10	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,865	-	-	-	459	-	-
-	3,261	-	-	-	-	-	-
<u>180,154</u>	<u>274,821</u>	<u>-</u>	<u>32,745</u>	<u>4,625</u>	<u>2,419</u>	<u>1,448</u>	<u>2,926</u>
<u>180,154</u>	<u>278,082</u>	<u>-</u>	<u>32,745</u>	<u>4,625</u>	<u>2,419</u>	<u>1,448</u>	<u>2,926</u>
<u>\$ 180,154</u>	<u>\$ 279,947</u>	<u>\$ -</u>	<u>\$ 32,745</u>	<u>\$ 4,625</u>	<u>\$ 2,878</u>	<u>\$ 1,448</u>	<u>\$ 2,926</u>

# City of Amherst, Ohio

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

**December 31, 2004**

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	<u>Drug Law Enforcement</u>	<u>DUI Enforcement</u>	<u>DARE Grant</u>	<u>COPS Grant</u>	<u>Bullet Proof Vest</u>	<u>FEMA Grant</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 250	\$ 3,837	\$ 1,503	\$ 2,457	\$ 743	\$ -
Accounts receivable	-	230	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
 Total assets	 \$ <u>250</u>	 \$ <u>4,067</u>	 \$ <u>1,503</u>	 \$ <u>2,457</u>	 \$ <u>743</u>	 \$ <u>-</u>
 Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
 Total liabilities	 -	 -	 -	 -	 -	 -
 Fund balances:						
Reserved for encumbrances	-	-	-	-	-	-
Unreserved; undesignated (deficit)	<u>250</u>	<u>4,067</u>	<u>1,503</u>	<u>2,457</u>	<u>743</u>	<u>-</u>
 Total fund balances (deficit)	 <u>250</u>	 <u>4,067</u>	 <u>1,503</u>	 <u>2,457</u>	 <u>743</u>	 <u>-</u>
 Total liabilities and fund balances	 \$ <u>250</u>	 \$ <u>4,067</u>	 \$ <u>1,503</u>	 \$ <u>2,457</u>	 \$ <u>743</u>	 \$ <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>
\$ 454	\$ 1,512	\$ 250	\$ 8,133	\$ 6,000	\$ 100,287	\$ 12,975	\$ 1,841,906
-	-	-	-	-	-	-	42,005
-	-	-	-	-	-	-	20,767
-	-	-	-	-	-	-	2,378
<u>\$ 454</u>	<u>\$ 1,512</u>	<u>\$ 250</u>	<u>\$ 8,133</u>	<u>\$ 6,000</u>	<u>\$ 100,287</u>	<u>\$ 12,975</u>	<u>\$ 1,907,056</u>
\$ -	\$ 473	\$ -	\$ -	\$ -	\$ 1,531	\$ -	\$ 8,293
-	-	-	-	-	-	-	5,920
-	-	-	-	-	-	-	4,788
-	-	-	-	-	100,000	-	100,000
-	-	-	-	-	-	-	70
-	-	-	-	-	-	-	13,553
-	473	-	-	-	101,531	-	132,624
-	-	-	-	-	16,928	-	246,626
<u>454</u>	<u>1,039</u>	<u>250</u>	<u>8,133</u>	<u>6,000</u>	<u>(18,172)</u>	<u>12,975</u>	<u>1,527,806</u>
<u>454</u>	<u>1,039</u>	<u>250</u>	<u>8,133</u>	<u>6,000</u>	<u>(1,244)</u>	<u>12,975</u>	<u>1,774,432</u>
<u>\$ 454</u>	<u>\$ 1,512</u>	<u>\$ 250</u>	<u>\$ 8,133</u>	<u>\$ 6,000</u>	<u>\$ 100,287</u>	<u>\$ 12,975</u>	<u>\$ 1,907,056</u>

# City of Amherst, Ohio

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

**For The Year Ended December 31, 2004**

	<u>State Highway</u>	<u>Street Maintenance and Repair Permissive</u>	<u>Park and Pool</u>	<u>Office on Aging</u>	<u>Planning Commission</u>
Revenues:					
Intergovernmental	\$ 33,354	\$ 61,869	\$ 37,931	\$ 20,100	\$ -
Charges for services	-	-	62,336	36,241	73,700
Fees, licenses and permits	-	-	-	-	-
Investment income	-	-	-	318	-
Rental income	-	-	2,740	-	-
Miscellaneous income	-	-	625	1,444	-
Total revenues	<u>33,354</u>	<u>61,869</u>	<u>103,632</u>	<u>58,103</u>	<u>73,700</u>
Expenditures:					
Current:					
General government	-	-	-	-	103,557
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	141,263	-
Transportation	11,225	94,183	-	-	-
Community development	-	-	-	-	4,937
Leisure time activities	-	-	140,198	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>11,225</u>	<u>94,183</u>	<u>140,198</u>	<u>141,263</u>	<u>108,494</u>
Excess of revenues over (under) expenditures	<u>22,129</u>	<u>(32,314)</u>	<u>(36,566)</u>	<u>(83,160)</u>	<u>(34,794)</u>
Other financing sources (uses):					
Transfers in	-	-	-	73,450	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,450</u>	<u>-</u>
Net change in fund balances	22,129	(32,314)	(36,566)	(9,710)	(34,794)
Fund balances at beginning of year	<u>52,719</u>	<u>339,315</u>	<u>187,345</u>	<u>32,781</u>	<u>714,501</u>
Fund balances at end of year	\$ <u><u>74,848</u></u>	\$ <u><u>307,001</u></u>	\$ <u><u>150,779</u></u>	\$ <u><u>23,071</u></u>	\$ <u><u>679,707</u></u>

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<u>Park Trust</u>	<u>Cable Television</u>	<u>Assistance to Firefighters</u>	<u>Fire Act Grant</u>	<u>EMS Training</u>	<u>Sobriety Check-point</u>	<u>R U OK Grant</u>	<u>Law Enforcement</u>
\$ -	\$ 117,013	\$ -	\$ 86,949	\$ 4,625	\$ 2,896	\$ -	\$ -
-	12,835	-	-	-	-	-	-
-	-	-	-	-	-	-	-
151	-	-	-	-	-	-	-
54,210	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,672
<u>54,361</u>	<u>129,848</u>	<u>-</u>	<u>86,949</u>	<u>4,625</u>	<u>2,896</u>	<u>-</u>	<u>2,672</u>
-	70,809	-	-	-	-	-	-
-	-	-	-	-	3,963	-	820
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
32,639	-	-	-	-	-	-	-
-	28,140	5,391	63,864	-	-	-	-
<u>32,639</u>	<u>98,949</u>	<u>5,391</u>	<u>63,864</u>	<u>-</u>	<u>3,963</u>	<u>-</u>	<u>820</u>
<u>21,722</u>	<u>30,899</u>	<u>(5,391)</u>	<u>23,085</u>	<u>4,625</u>	<u>(1,067)</u>	<u>-</u>	<u>1,852</u>
-	-	539	9,660	-	-	-	-
-	-	-	-	-	-	-	-
-	-	539	9,660	-	-	-	-
21,722	30,899	(4,852)	32,745	4,625	(1,067)	-	1,852
<u>158,432</u>	<u>247,183</u>	<u>4,852</u>	<u>-</u>	<u>-</u>	<u>3,486</u>	<u>1,448</u>	<u>1,074</u>
\$ <u>180,154</u>	\$ <u>278,082</u>	\$ <u>-</u>	\$ <u>32,745</u>	\$ <u>4,625</u>	\$ <u>2,419</u>	\$ <u>1,448</u>	\$ <u>2,926</u>

# City of Amherst, Ohio

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

**For The Year Ended December 31, 2004**

	<u>Drug Law Enforcement</u>	<u>DUI Enforcement</u>	<u>DARE Grant</u>	<u>COPS Grant</u>	<u>Bullet Proof Vest</u>	<u>FEMA Grant</u>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 28,000	\$ 994	\$ 4,712
Charges for services	-	-	-	-	-	-
Fees, licenses and permits	188	1,893	-	-	-	-
Investment income	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-
Total revenues	<u>188</u>	<u>1,893</u>	<u>-</u>	<u>28,000</u>	<u>994</u>	<u>4,712</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Security of persons and property	-	194	-	41,463	932	-
Public health and welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>194</u>	<u>-</u>	<u>41,463</u>	<u>932</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>188</u>	<u>1,699</u>	<u>-</u>	<u>(13,463)</u>	<u>62</u>	<u>4,712</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(4,712)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,712)</u>
Net change in fund balances	188	1,699	-	(13,463)	62	-
Fund balances at beginning of year	<u>62</u>	<u>2,368</u>	<u>1,503</u>	<u>15,920</u>	<u>681</u>	<u>-</u>
Fund balances at end of year	\$ <u><u>250</u></u>	\$ <u><u>4,067</u></u>	\$ <u><u>1,503</u></u>	\$ <u><u>2,457</u></u>	\$ <u><u>743</u></u>	\$ <u><u>-</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>
\$ -	\$ -	\$ -	\$ 106,257	\$ -	\$ 49,360	\$ -	\$ 554,060
-	-	-	-	-	-	-	185,112
-	-	-	-	-	-	-	2,081
-	-	-	-	-	-	-	469
-	-	-	-	-	-	-	56,950
-	-	-	97	-	-	-	4,838
<u>-</u>	<u>-</u>	<u>-</u>	<u>106,354</u>	<u>-</u>	<u>49,360</u>	<u>-</u>	<u>803,510</u>
-	-	-	122,244	-	-	-	296,610
-	7,728	-	-	-	-	-	55,100
-	-	-	-	-	-	-	141,263
-	-	-	-	-	-	-	105,408
-	-	-	-	-	62,829	-	67,766
-	-	-	-	-	-	-	172,837
-	-	-	-	-	-	-	97,395
<u>-</u>	<u>7,728</u>	<u>-</u>	<u>122,244</u>	<u>-</u>	<u>62,829</u>	<u>-</u>	<u>936,379</u>
<u>-</u>	<u>(7,728)</u>	<u>-</u>	<u>(15,890)</u>	<u>-</u>	<u>(13,469)</u>	<u>-</u>	<u>(132,869)</u>
-	-	-	-	-	-	-	83,649
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,712)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,937</u>
-	(7,728)	-	(15,890)	-	(13,469)	-	(53,932)
<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>1,039</u>	\$ <u>250</u>	\$ <u>8,133</u>	\$ <u>6,000</u>	\$ <u>(1,244)</u>	\$ <u>12,975</u>	\$ <u>1,774,432</u>

# City of Amherst, Ohio

## Combining Balance Sheet Nonmajor Capital Projects Funds

**December 31, 2004**

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	<u>Fire Apparatus Levy</u>	<u>CDBG Improvements</u>	<u>Permanent Improvement</u>	<u>Issue II Improvement</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 261,851	\$ 1,850	\$ 12,623	\$ 1,118,080
Intergovernmental receivable	30,465	-	-	-
Property taxes receivable	<u>251,366</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>543,682</u>	\$ <u>1,850</u>	\$ <u>12,623</u>	\$ <u>1,118,080</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 3,470	\$ 380	\$ -	\$ 13,286
Contracts payable	-	-	-	28,951
Interfund payable	-	-	-	325,795
Deferred revenue	<u>281,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>285,301</u>	<u>380</u>	<u>-</u>	<u>368,032</u>
Fund balances:				
Reserve for encumbrances	380	635	-	886,988
Unreserved; undesignated	<u>258,001</u>	<u>835</u>	<u>12,623</u>	<u>(136,940)</u>
Total fund balances	<u>258,381</u>	<u>1,470</u>	<u>12,623</u>	<u>750,048</u>
Total liabilities and fund balances	\$ <u>543,682</u>	\$ <u>1,850</u>	\$ <u>12,623</u>	\$ <u>1,118,080</u>

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<u>City Hall Auditorium</u>	<u>North Lake Street Tunnel</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 255,649	\$ 47,800	\$ 1,697,853
-	-	30,465
-	-	251,366
<u>\$ 255,649</u>	<u>\$ 47,800</u>	<u>\$ 1,979,684</u>
\$ -	\$ -	\$ 17,136
-	-	28,951
-	-	325,795
-	-	281,831
<u>-</u>	<u>-</u>	<u>653,713</u>
64,568	-	952,571
<u>191,081</u>	<u>47,800</u>	<u>373,400</u>
<u>255,649</u>	<u>47,800</u>	<u>1,325,971</u>
<u>\$ 255,649</u>	<u>\$ 47,800</u>	<u>\$ 1,979,684</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, 2004

	Fire Apparatus <u>Levy</u>	CDBG <u>Improvements</u>	Permanent <u>Improvement</u>	Issue II <u>Improvement</u>
Revenues:				
Property and other local taxes	\$ 235,348	\$ -	\$ -	\$ -
Intergovernmental	30,173	-	-	206,898
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>265,521</u>	<u>-</u>	<u>-</u>	<u>206,898</u>
Expenditures:				
General government	3,639	-	-	-
Community development	-	380	-	42,237
Capital outlay	<u>539,776</u>	<u>2,365</u>	<u>-</u>	<u>268,280</u>
Total expenditures	<u>543,415</u>	<u>2,745</u>	<u>-</u>	<u>310,517</u>
Excess of revenues over (under) expenditures	<u>(277,894)</u>	<u>(2,745)</u>	<u>-</u>	<u>(103,619)</u>
Other financing sources (uses):				
Transfers in	-	-	-	188,500
Transfers out	<u>(10,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,199)</u>	<u>-</u>	<u>-</u>	<u>188,500</u>
Net change in fund balances	(288,093)	(2,745)	-	84,881
Fund balances at beginning of year	<u>546,474</u>	<u>4,215</u>	<u>12,623</u>	<u>665,167</u>
Fund balances at end of year	\$ <u>258,381</u>	\$ <u>1,470</u>	\$ <u>12,623</u>	\$ <u>750,048</u>



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<u>City Hall Auditorium</u>	<u>North Lake Street Tunnel</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ 235,348
-	-	237,071
<u>2,850</u>	<u>-</u>	<u>2,850</u>
<u>2,850</u>	<u>-</u>	<u>475,269</u>
-	-	3,639
-	-	42,617
<u>-</u>	<u>-</u>	<u>810,421</u>
<u>-</u>	<u>-</u>	<u>856,677</u>
<u>2,850</u>	<u>-</u>	<u>(381,408)</u>
-	-	188,500
<u>-</u>	<u>-</u>	<u>(10,199)</u>
<u>-</u>	<u>-</u>	<u>178,301</u>
2,850	-	(203,107)
<u>252,799</u>	<u>47,800</u>	<u>1,529,078</u>
\$ <u>255,649</u>	\$ <u>47,800</u>	\$ <u>1,325,971</u>

# City of Amherst, Ohio

## Combining Statements Fiduciary Funds

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### **Fiduciary Funds**

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

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

##### *Cemetery Trust Fund*

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

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

##### *Street Openings Fund*

To account for monies collected and disbursed for a bond and permit fee to assure repair of 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, 2004**

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	<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	\$ 8,277	\$ 824	\$ -	\$ 9,101
Cash and cash equivalents in segregated accounts	<u>-</u>	<u>-</u>	<u>2,489</u>	<u>2,489</u>
Total assets	\$ <u>8,277</u>	\$ <u>824</u>	\$ <u>2,489</u>	\$ <u>11,590</u>
Liabilities:				
Deposits held and due to others	\$ <u>8,277</u>	\$ <u>824</u>	\$ <u>2,489</u>	\$ <u>11,590</u>

# City of Amherst, Ohio

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

### For The Year Ended December 31, 2004

	Balance December 31, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2004</u>
<b>Street Openings</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>8,267</u>	\$ <u>1,010</u>	\$ <u>1,000</u>	\$ <u>8,277</u>
Liabilities:				
Deposits held and due to others	\$ <u>8,267</u>	\$ <u>1,010</u>	\$ <u>1,000</u>	\$ <u>8,277</u>
<b>Building Standards Assessment</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>1,277</u>	\$ <u>3,401</u>	\$ <u>3,854</u>	\$ <u>824</u>
Liabilities:				
Deposits held and due to others	\$ <u>1,277</u>	\$ <u>3,401</u>	\$ <u>3,854</u>	\$ <u>824</u>
<b>Joint ambulance district</b>				
Assets:				
Cash and cash equivalents in segregated accounts	\$ <u>6,122</u>	\$ <u>75,976</u>	\$ <u>79,609</u>	\$ <u>2,489</u>
Liabilities:				
Deposits held and due to others	\$ <u>6,122</u>	\$ <u>75,975</u>	\$ <u>79,609</u>	\$ <u>2,489</u>
<b>Totals – All Agency Funds</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,544	\$ 4,411	\$ 4,854	\$ 9,101
Cash and cash equivalents in segregated accounts	<u>6,122</u>	<u>75,975</u>	<u>79,609</u>	<u>2,489</u>
Total assets	\$ <u>15,666</u>	\$ <u>80,386</u>	\$ <u>84,463</u>	\$ <u>11,590</u>
Liabilities:				
Deposits held and due to others	\$ <u>15,666</u>	\$ <u>80,386</u>	\$ <u>84,463</u>	\$ <u>11,590</u>

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

# City of Amherst, Ohio

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

### General Fund

#### For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 854,907	\$ 854,907	\$ 762,836	\$ (92,071)
Income taxes	1,945,469	1,945,469	1,925,572	(19,897)
Intergovernmental	455,997	455,997	569,330	113,333
Charges for services	84,612	84,612	105,642	21,030
Fees, licenses and permits	290,624	290,624	362,856	72,232
Contributions and donations	3,513	3,513	4,386	873
Interest	268,457	268,457	335,179	66,722
Miscellaneous	<u>67,066</u>	<u>67,066</u>	<u>83,735</u>	<u>16,669</u>
Total revenues	<u>3,970,645</u>	<u>3,970,645</u>	<u>4,149,536</u>	<u>178,891</u>
Expenditures:				
Current operations and maintenance:				
General government:				
Mayor's office				
Salaries and wages	85,700	85,700	81,264	4,436
Fringe benefits	17,000	17,000	15,705	1,295
Materials and supplies	6,000	6,000	3,386	2,614
Contractual services	<u>11,470</u>	<u>11,470</u>	<u>8,747</u>	<u>2,723</u>
Total mayor's office	<u>120,170</u>	<u>120,170</u>	<u>109,102</u>	<u>11,068</u>
Safety services				
Salaries and wages	10,680	10,680	10,679	1
Fringe benefits	2,250	2,250	2,059	191
Materials and supplies	732	732	231	501
Contractual services	<u>128,426</u>	<u>97,458</u>	<u>96,576</u>	<u>882</u>
Total safety services	<u>142,088</u>	<u>111,120</u>	<u>109,545</u>	<u>1,575</u>
City council				
Salaries	63,000	63,000	60,331	2,669
Fringe benefits	13,300	13,300	11,263	2,037
Materials and supplies	6,333	6,333	6,576	(243)
Contractual services	<u>28,991</u>	<u>28,991</u>	<u>19,452</u>	<u>9,539</u>
Total city council	<u>111,624</u>	<u>111,624</u>	<u>97,622</u>	<u>14,002</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Auditor</b>				
Salaries and wages	94,500	104,500	96,262	8,238
Fringe benefits	40,200	40,200	30,125	10,075
Materials and supplies	13,440	13,440	5,665	7,775
Contractual services	52,680	52,680	41,687	10,993
Capital outlay	<u>9,000</u>	<u>9,000</u>	<u>7,000</u>	<u>2,000</u>
Total auditor	<u>209,820</u>	<u>219,820</u>	<u>180,739</u>	<u>39,081</u>
<b>Treasurer</b>				
Salaries and wages	45,466	45,466	47,190	(1,724)
Fringe benefits	9,075	9,075	8,856	219
Materials and supplies	5,845	5,845	2,892	2,953
Contractual services	25,576	25,576	23,277	2,299
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,692</u>	<u>308</u>
Total treasurer	<u>87,962</u>	<u>87,962</u>	<u>83,907</u>	<u>4,055</u>
<b>Law director</b>				
Salaries and wages	108,250	108,250	107,228	1,022
Fringe benefits	21,650	21,650	19,208	2,442
Materials and supplies	-	-	183	(183)
Contractual services	<u>7,500</u>	<u>7,500</u>	<u>8,525</u>	<u>(1,025)</u>
Total law director	<u>137,400</u>	<u>137,400</u>	<u>135,144</u>	<u>2,256</u>
<b>City hall</b>				
Materials and supplies	3,859	3,859	2,661	1,198
Contractual services	<u>15,000</u>	<u>15,000</u>	<u>10,337</u>	<u>4,663</u>
Total city hall	<u>18,859</u>	<u>18,859</u>	<u>12,998</u>	<u>5,861</u>
<b>Civil service commission</b>				
Salaries and wages	2,250	2,250	2,192	58
Fringe benefits	470	470	430	40
Materials and supplies	500	500	-	500
Contractual services	<u>6,903</u>	<u>6,903</u>	<u>3,027</u>	<u>3,876</u>
Total civil service commission	<u>10,123</u>	<u>10,123</u>	<u>5,649</u>	<u>4,474</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income tax department				
Salaries and wages	45,510	45,510	41,207	4,303
Fringe benefits	25,600	25,600	18,656	6,944
Materials and supplies	15,011	15,011	10,608	4,403
Contractual services	<u>14,250</u>	<u>14,250</u>	<u>12,101</u>	<u>2,149</u>
Total income tax department	<u>100,371</u>	<u>100,371</u>	<u>82,572</u>	<u>17,799</u>
Downtown director				
Contractual services	<u>34,145</u>	<u>34,145</u>	<u>34,145</u>	<u>-</u>
Total downtown director	<u>34,145</u>	<u>34,145</u>	<u>34,145</u>	<u>-</u>
Amherst office building				
Materials and supplies	400	400	-	400
Contractual services	<u>5,500</u>	<u>5,500</u>	<u>5,442</u>	<u>58</u>
Total Amherst office building	<u>5,900</u>	<u>5,900</u>	<u>5,442</u>	<u>458</u>
Miscellaneous				
Fringe benefits	68,000	68,000	2,862	65,138
Contractual services	50,550	55,335	41,760	13,575
Capital outlay	<u>410,480</u>	<u>410,480</u>	<u>150,708</u>	<u>259,772</u>
Total miscellaneous	<u>529,030</u>	<u>533,815</u>	<u>195,330</u>	<u>338,485</u>
Total general government	<u>1,507,492</u>	<u>1,491,309</u>	<u>1,052,195</u>	<u>439,114</u>
Security of persons and property:				
Police department				
Salaries and wages	1,280,000	1,280,000	1,332,959	(52,959)
Fringe benefits	674,075	674,075	568,820	105,255
Materials and supplies	117,295	117,295	97,219	20,076
Contractual services	230,828	230,828	200,020	30,808
Capital outlay	<u>53,262</u>	<u>53,262</u>	<u>67,795</u>	<u>(14,533)</u>
Total police department	<u>2,355,460</u>	<u>2,355,460</u>	<u>2,266,813</u>	<u>88,647</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department				
Salaries and wages	329,675	329,675	329,150	525
Fringe benefits	89,111	89,111	66,515	22,596
Materials and supplies	28,212	28,212	22,854	5,358
Contractual services	<u>70,344</u>	<u>70,344</u>	<u>66,099</u>	<u>4,245</u>
Total fire department	<u>517,342</u>	<u>517,342</u>	<u>484,618</u>	<u>32,724</u>
Total security of persons and property	<u>2,872,802</u>	<u>2,872,802</u>	<u>2,751,431</u>	<u>121,371</u>
Public health and welfare				
Cemetery				
Salaries and wages	14,000	14,000	13,149	851
Fringe benefits	3,560	3,560	2,905	655
Materials and supplies	3,500	3,500	1,288	2,212
Contractual services	<u>2,054</u>	<u>2,054</u>	<u>2,118</u>	<u>(64)</u>
Total cemetery	<u>23,114</u>	<u>23,114</u>	<u>19,460</u>	<u>3,654</u>
County health district				
Contractual services	<u>-</u>	<u>-</u>	<u>35,534</u>	<u>(35,534)</u>
Total public health and welfare	<u>23,114</u>	<u>23,114</u>	<u>54,994</u>	<u>(31,880)</u>
Community development				
Building inspector				
Salaries and wages	139,314	139,314	121,802	17,512
Fringe benefits	52,917	52,917	41,227	11,690
Materials and supplies	5,802	5,802	4,393	1,409
Contractual services	<u>61,407</u>	<u>61,407</u>	<u>37,910</u>	<u>23,497</u>
Total building inspector	<u>259,440</u>	<u>259,440</u>	<u>205,332</u>	<u>54,108</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning commission				
Salaries	6,897	6,897	4,821	2,076
Fringe benefits	1,300	1,300	240	1,060
Materials and supplies	250	250	233	17
Contractual services	500	500	287	213
Total planning commission	<u>8,947</u>	<u>8,947</u>	<u>5,581</u>	<u>3,366</u>
Board of zoning appeals				
Materials and supplies	275	275	248	27
Contractual services	2,000	2,000	796	1,204
Total board of zoning appeals	<u>2,275</u>	<u>2,275</u>	<u>1,044</u>	<u>1,231</u>
Total community development	<u>270,662</u>	<u>270,662</u>	<u>211,957</u>	<u>58,705</u>
Total expenditures	<u>4,674,070</u>	<u>4,657,887</u>	<u>4,070,577</u>	<u>587,310</u>
Excess of revenues over (under) expenditures	<u>(703,425)</u>	<u>(687,242)</u>	<u>78,959</u>	<u>766,201</u>
Other financing sources (uses):				
Sale of capital assets	38,499	38,499	48,068	9,569
Transfers in	321,806	321,806	401,788	79,982
Advances in	(68,032)	(100,000)	(100,000)	-
Transfers out	(1,153,517)	(1,153,517)	(473,450)	680,067
Refunds and reimbursements	(520,000)	(520,000)	(449,596)	70,404
Total other financing sources (uses)	<u>(1,381,244)</u>	<u>(1,413,212)</u>	<u>(573,190)</u>	<u>840,022</u>
Net change in fund balance	(2,084,669)	(2,100,454)	(494,231)	1,606,223
Fund balance at beginning of year	2,736,434	2,736,434	2,736,434	-
Prior year encumbrances appropriated	<u>170,308</u>	<u>170,308</u>	<u>170,308</u>	<u>-</u>
Fund balance at end of year	\$ <u>822,073</u>	\$ <u>806,288</u>	\$ <u>2,412,511</u>	\$ <u>1,606,223</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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 404,219	\$ 404,219	\$ 405,383	\$ 1,164
Miscellaneous	714	714	716	2
Total revenues	<u>404,933</u>	<u>404,933</u>	<u>406,099</u>	<u>1,166</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	435,000	435,000	420,566	14,434
Fringe benefits	213,680	213,680	172,662	41,018
Contractual services	239,611	239,611	84,454	155,157
Supplies and materials	157,930	157,930	242,825	(84,895)
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,968</u>	<u>32</u>
Total expenditures	<u>1,076,221</u>	<u>1,076,221</u>	<u>950,475</u>	<u>125,746</u>
Excess of revenues over (under) expenditures	(671,288)	(671,288)	(544,376)	126,912
Other financing sources (uses):				
Transfers in	<u>398,851</u>	<u>398,851</u>	<u>400,000</u>	<u>1,149</u>
Net change in fund balance	(272,437)	(272,437)	(144,376)	128,061
Fund balance at beginning of year	391,532	391,532	391,532	-
Prior year encumbrances appropriated	<u>28,462</u>	<u>28,462</u>	<u>28,462</u>	<u>-</u>
Fund balance at end of year	\$ <u>147,557</u>	\$ <u>147,557</u>	\$ <u>275,618</u>	\$ <u>128,061</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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 1,891,902	\$ 1,891,902	\$ 1,897,352	\$ 5,450
Miscellaneous	<u>6,119</u>	<u>6,119</u>	<u>6,137</u>	<u>18</u>
Total revenues	<u>1,898,021</u>	<u>1,898,021</u>	<u>1,903,489</u>	<u>5,468</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	1,317,338	1,317,338	598,287	719,051
Capital outlay	2,926,483	2,926,483	2,580,585	345,898
Refunds and reimbursement	55,000	55,000	37,526	17,474
Debit service:				
Principal retirement	<u>16,250</u>	<u>16,250</u>	<u>8,925</u>	<u>7,325</u>
Total expenditures	<u>4,315,071</u>	<u>4,315,071</u>	<u>3,225,323</u>	<u>1,089,748</u>
Excess of revenues over (under) expenditures	<u>(2,417,050)</u>	<u>(2,417,050)</u>	<u>(1,321,834)</u>	<u>1,095,216</u>
Other financing sources (uses):				
Transfers - out	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(460,500)</u>	<u>1,339,500</u>
Net change in fund balance	(4,217,050)	(4,217,050)	(1,782,334)	2,434,716
Fund balance at beginning of year	3,721,628	3,721,628	3,721,628	-
Prior year encumbrances appropriated	<u>657,821</u>	<u>657,821</u>	<u>657,821</u>	<u>-</u>
Fund balance at end of year	\$ <u>162,399</u>	\$ <u>162,399</u>	\$ <u>2,597,115</u>	\$ <u>2,434,716</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental				
Charges for services	\$ 1,633,637	\$ 1,925,261	\$ 1,976,939	\$ 51,678
Customer deposits	6,569	7,742	7,950	208
Miscellaneous	<u>1,361</u>	<u>1,604</u>	<u>1,647</u>	<u>43</u>
Total revenues	<u>1,641,567</u>	<u>1,934,607</u>	<u>1,986,536</u>	<u>51,929</u>
<b>Expenses:</b>				
Water operations:				
Salaries and wages	322,906	322,906	299,254	23,652
Fringe benefits	121,422	121,422	93,646	27,776
Contractual services	1,307,870	1,307,870	1,255,787	52,083
Materials and supplies	213,009	213,009	151,161	61,848
Other	11,000	12,000	11,685	315
Capital outlay	275,675	275,675	217,864	57,811
Debt service:				
Principal retirement	45,000	45,000	45,000	-
Interest and fiscal charges	<u>41,750</u>	<u>41,750</u>	<u>41,742</u>	<u>8</u>
Total expenses	<u>2,338,632</u>	<u>2,339,632</u>	<u>2,116,139</u>	<u>223,493</u>
Excess of revenues over (under) expenditures	(697,065)	(405,025)	(129,603)	275,422
Other financing sources (uses):				
Transfer - in	<u>665</u>	<u>784</u>	<u>805</u>	<u>21</u>
Net change in fund equity	(696,400)	(404,241)	(128,798)	275,443
Fund equity at beginning of year	711,658	711,658	711,658	-
Prior year encumbrances appropriated	<u>51,906</u>	<u>51,906</u>	<u>51,906</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>67,164</u></u>	\$ <u><u>359,323</u></u>	\$ <u><u>634,766</u></u>	\$ <u><u>275,443</u></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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 3,240,969	\$ 3,532,968	\$ 2,368,757	\$ (1,164,211)
Charges for services	3,226,374	3,517,059	2,358,090	(1,158,969)
Customer deposits	4,378	4,773	3,200	(1,573)
Miscellaneous	<u>6,314</u>	<u>6,883</u>	<u>4,615</u>	<u>(2,268)</u>
Total revenues	<u>6,478,035</u>	<u>7,061,683</u>	<u>4,734,662</u>	<u>(2,327,021)</u>
<b>Expenses:</b>				
Sewer operations:				
Salaries and wages	661,711	661,711	587,640	74,071
Fringe benefits	252,096	252,096	182,239	69,857
Contractual services	552,488	552,488	418,196	134,292
Supplies and materials	275,727	275,727	222,063	53,664
Claims	15,000	15,000	15,000	-
Capital outlay	5,521,811	5,721,811	8,739,693	(3,017,882)
Debt service:				
Principal retirement	151,660	1,384,377	1,384,377	-
Interest and fiscal charges	<u>93,900</u>	<u>108,183</u>	<u>101,943</u>	<u>6,240</u>
Total expenses	<u>7,524,393</u>	<u>8,971,393</u>	<u>11,651,151</u>	<u>(2,679,758)</u>
Excess of revenues over (under) expenses	<u>(1,046,358)</u>	<u>(1,909,710)</u>	<u>(6,916,489)</u>	<u>(5,006,779)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of debt	1,758,156	1,916,560	1,285,000	(631,560)
Loan proceeds	-	-	3,422,253	3,422,253
Transfers - in	1,101	1,201	805	(396)
Transfers - out	(355,000)	(355,000)	-	355,000
Refunds and reimbursements	<u>(6,000)</u>	<u>(7,500)</u>	<u>(6,407)</u>	<u>1,093</u>
Total other financing sources (uses)	<u>1,398,257</u>	<u>1,555,261</u>	<u>4,701,651</u>	<u>3,146,390</u>
Net change in fund equity	351,899	(354,449)	(2,214,838)	(1,860,389)
Fund equity at beginning of year	(1,281,664)	(1,281,664)	(1,281,664)	-
Prior year encumbrances appropriated	<u>4,453,991</u>	<u>4,453,991</u>	<u>4,453,991</u>	<u>-</u>
Fund equity at end of year	\$ <u>3,524,226</u>	\$ <u>2,817,878</u>	\$ <u>957,489</u>	\$ <u>(1,860,389)</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental				
Charges for services	\$ 5,732,693	6,777,436	\$ 6,356,237	\$ (421,199)
Customer deposits	36,238	42,843	40,180	(2,663)
Miscellaneous	<u>5,241</u>	<u>6,196</u>	<u>5,811</u>	<u>(385)</u>
Total revenues	<u>5,774,172</u>	<u>6,826,475</u>	<u>6,402,228</u>	<u>(424,247)</u>
<b>Expenses:</b>				
Electric operations:				
Salaries and wages	866,626	866,626	733,423	133,203
Fringe benefits	228,739	228,739	178,712	50,027
Contractual services	5,005,105	5,095,105	4,834,346	260,759
Supplies and materials	288,256	288,256	200,866	87,390
Other	20,000	20,000	12,421	7,579
Capital outlay	214,100	964,100	884,478	79,622
Debt service:				
Principal retirement	275,000	1,022,265	1,022,265	-
Interest and fiscal charges	<u>134,190</u>	<u>126,925</u>	<u>117,037</u>	<u>9,888</u>
Total expenditures	<u>7,032,016</u>	<u>8,612,016</u>	<u>7,983,548</u>	<u>628,468</u>
Excess of revenues over (under) expenses	<u>(1,257,844)</u>	<u>(1,785,541)</u>	<u>(1,581,320)</u>	<u>204,221</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of debt	662,897	783,705	735,000	(48,705)
Transfers in	361,027	426,822	400,296	(26,526)
Transfers out	<u>(1,150,000)</u>	<u>(1,150,000)</u>	<u>(399,491)</u>	<u>750,509</u>
Total other financing sources (uses)	<u>(126,076)</u>	<u>60,527</u>	<u>735,805</u>	<u>675,278</u>
Net change in fund equity	(1,383,920)	(1,725,014)	(845,515)	879,499
Fund equity at beginning of year	3,022,885	3,022,885	3,022,885	-
Prior year encumbrances appropriated	<u>45,207</u>	<u>45,209</u>	<u>45,209</u>	<u>-</u>
Fund equity at end of year	\$ <u>1,684,172</u>	\$ <u>1,343,080</u>	\$ <u>2,222,579</u>	\$ <u>879,499</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>32,775</u>	\$ <u>32,775</u>	\$ <u>32,869</u>	\$ <u>94</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Contractual services	9,700	9,700	6,986	2,714
Supplies and materials	<u>16,757</u>	<u>16,757</u>	<u>4,737</u>	<u>12,020</u>
Total expenditures	<u>26,457</u>	<u>26,457</u>	<u>11,723</u>	<u>14,734</u>
Excess of revenues over (under) expenditures	6,318	6,318	21,146	14,828
Fund balance at beginning of year	49,061	49,061	49,061	-
Prior year encumbrance appropriated	<u>1,457</u>	<u>1,457</u>	<u>1,457</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>56,836</u></u>	\$ <u><u>56,836</u></u>	\$ <u><u>71,664</u></u>	\$ <u><u>14,828</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, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>61,418</u>	\$ <u>61,418</u>	\$ <u>61,595</u>	\$ <u>177</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Capital Outlay	<u>302,070</u>	<u>302,070</u>	<u>270,540</u>	<u>31,530</u>
Excess of revenues over (under) expenditures	(240,652)	(240,652)	(208,945)	31,707
Fund balance at beginning of year	333,154	333,154	333,154	-
Prior year encumbrances appropriated	<u>2,070</u>	<u>2,070</u>	<u>2,070</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>94,572</u></u>	\$ <u><u>94,572</u></u>	\$ <u><u>126,279</u></u>	\$ <u><u>31,707</u></u>

## City of Amherst, Ohio

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

#### Park and Pool Fund

#### For The Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 36,753	\$ 36,753	\$ 36,859	\$ 106
Charges for services	62,157	62,157	62,336	179
Miscellaneous	<u>3,355</u>	<u>3,355</u>	<u>3,365</u>	<u>10</u>
Total revenues	<u>102,265</u>	<u>102,265</u>	<u>102,560</u>	<u>295</u>
Expenditures:				
Current operations and maintenance:				
Leisure Time Activities				
Salaries and wages	105,000	105,000	72,438	32,562
Fringe benefits	23,100	23,100	14,846	8,254
Contractual services	32,180	32,180	20,375	11,805
Supplies and materials	28,896	28,896	18,831	10,065
Reimbursements	50	50	45	5
Capital outlay	<u>29,000</u>	<u>29,000</u>	<u>14,839</u>	<u>14,161</u>
Total expenditures	<u>218,226</u>	<u>218,226</u>	<u>141,374</u>	<u>76,852</u>
Excess of revenues over (under) expenditures	(115,961)	(115,961)	(38,814)	77,147
Fund balance at beginning of year	169,829	169,829	169,829	-
Prior year encumbrances appropriated	<u>10,626</u>	<u>10,626</u>	<u>10,626</u>	<u>-</u>
Fund balance at end of year	\$ <u>64,494</u>	\$ <u>64,494</u>	\$ <u>141,641</u>	\$ <u>77,147</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 20,042	\$ 20,042	\$ 20,100	\$ 58
Charges for services	36,156	36,156	36,260	104
Investment income	317	317	318	1
Miscellaneous	<u>1,440</u>	<u>1,440</u>	<u>1,444</u>	<u>4</u>
Total revenues	<u>57,955</u>	<u>57,955</u>	<u>58,122</u>	<u>167</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	76,000	76,000	79,014	(3,014)
Fringe benefits	28,165	28,165	22,545	5,620
Contractual services	53,165	53,165	38,643	14,522
Supplies and materials	11,309	11,309	5,989	5,320
Capital outlay	<u>4,839</u>	<u>4,839</u>	<u>-</u>	<u>4,839</u>
Total expenditures	<u>173,478</u>	<u>173,478</u>	<u>146,191</u>	<u>27,287</u>
Excess of revenues over (under) expenditures	(115,523)	(115,523)	(88,069)	27,454
Other financing sources (uses):				
Transfers in	<u>73,239</u>	<u>73,239</u>	<u>73,450</u>	<u>211</u>
Net change in fund balance	(42,284)	(42,284)	(14,619)	27,665
Fund balance at beginning of year	26,220	26,220	26,220	-
Prior year encumbrances appropriated	<u>7,260</u>	<u>7,260</u>	<u>7,260</u>	<u>-</u>
Fund balance at end of year	\$ <u>(8,804)</u>	\$ <u>(8,804)</u>	\$ <u>18,861</u>	\$ <u>27,665</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ <u>73,488</u>	\$ <u>73,488</u>	\$ <u>73,700</u>	\$ <u>212</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	13,000	13,000	5,442	7,558
Capital outlay	<u>510,000</u>	<u>630,000</u>	<u>149,659</u>	<u>480,341</u>
Total expenditures	<u>523,000</u>	<u>643,000</u>	<u>155,101</u>	<u>487,899</u>
Net change in fund balance	(449,512)	(569,512)	(81,401)	488,111
Fund balance at beginning of year	715,101	715,101	715,101	-
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>266,589</u></u>	\$ <u><u>146,589</u></u>	\$ <u><u>634,700</u></u>	\$ <u><u>488,111</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 151	\$ 151	\$ 151	\$ -
Miscellaneous	<u>54,054</u>	<u>54,054</u>	<u>54,210</u>	<u>156</u>
Total revenues	<u>54,205</u>	<u>54,205</u>	<u>54,361</u>	<u>156</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Contractual services	10,967	10,967	14,300	(3,333)
Capital outlay	<u>39,333</u>	<u>39,333</u>	<u>32,639</u>	<u>6,694</u>
Total expenditures	<u>50,300</u>	<u>50,300</u>	<u>46,939</u>	<u>3,361</u>
Net change in fund balance	3,905	3,905	7,422	3,517
Fund balance at beginning of year	158,432	158,432	158,432	-
Prior year encumbrances appropriated	<u>14,300</u>	<u>14,300</u>	<u>14,300</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>176,637</u></u>	\$ <u><u>176,637</u></u>	\$ <u><u>180,154</u></u>	\$ <u><u>3,517</u></u>

## City of Amherst, Ohio

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

#### Cable Television Fund

#### For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 116,677	\$ 116,677	\$ 117,013	\$ 336
Charges for services	<u>10,141</u>	<u>10,141</u>	<u>10,170</u>	<u>29</u>
Total revenues	<u>126,818</u>	<u>126,818</u>	<u>127,183</u>	<u>365</u>
Expenditures:				
Current operations and maintenance:				
General government				
Salaries and wages	18,000	18,000	17,308	692
Fringe benefits	3,775	3,775	3,461	314
Contractual services	43,318	43,318	42,835	483
Materials and supplies	31,287	31,287	11,556	19,731
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>28,140</u>	<u>11,860</u>
Total expenditures	<u>136,380</u>	<u>136,380</u>	<u>103,300</u>	<u>33,080</u>
Excess of revenues over (under) expenditures	(9,562)	(9,562)	23,883	33,445
Fund balance at beginning of year	216,280	216,280	216,280	-
Prior year encumbrances appropriated	<u>4,054</u>	<u>4,054</u>	<u>4,054</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>210,772</u></u>	\$ <u><u>210,772</u></u>	\$ <u><u>244,217</u></u>	\$ <u><u>33,445</u></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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Capital outlay	\$ <u>5,391</u>	\$ <u>5,391</u>	\$ <u>5,391</u>	\$ <u>-</u>
Excess of revenues over (under) expenditures	(5,391)	(5,391)	(5,391)	-
Other financing sources (uses):				
Transfer in	<u>537</u>	<u>537</u>	<u>539</u>	<u>2</u>
Net change in fund balance	(4,854)	(4,854)	(4,852)	2
Fund balance at beginning of year	(539)	(539)	(539)	-
Prior year encumbrance appropriated	<u>5,391</u>	<u>5,391</u>	<u>5,391</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(2)</u></u>	\$ <u><u>(2)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 141,970	\$ 141,970	\$ 86,949	\$ (55,021)
Expenditures:				
Current operations and maintenance:				
Contractual services	450	450	-	450
Capital outlay	96,159	96,159	63,864	32,295
Total expenditures	96,609	96,609	63,864	32,745
Excess of revenues over (under) expenditures	45,361	45,361	23,085	(22,276)
Other financing sources (uses):				
Transfer in	9,660	9,660	9,660	-
Net change in fund balance	55,021	55,021	32,745	(22,276)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 55,021	\$ 55,021	\$ 32,745	\$ (22,276)



# 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, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 4,612	\$ 4,612	\$ 4,625	\$ 13
Expenditures:				
Current operations and maintenance:				
Contractual services	<u>3,310</u>	<u>3,310</u>	<u>-</u>	<u>3,310</u>
Net change in fund balance	1,302	1,302	4,625	3,323
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1,302</u></u>	\$ <u><u>1,302</u></u>	\$ <u><u>4,625</u></u>	\$ <u><u>3,323</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,928	\$ 2,928	\$ 2,936	\$ 8
Expenditures:				
Current operations and maintenance:				
General government				
Salaries and wages	1,304	1,304	1,304	-
Fringe benefits	2,436	2,436	19	2,417
Contractual services	<u>2,640</u>	<u>2,640</u>	<u>2,639</u>	<u>1</u>
Total expenditures	<u>6,380</u>	<u>6,380</u>	<u>3,962</u>	<u>2,418</u>
Net change in fund balance	(3,452)	(3,452)	(1,026)	2,426
Fund balance at beginning of year	<u>3,446</u>	<u>3,446</u>	<u>3,446</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(6)</u></u>	\$ <u><u>(6)</u></u>	\$ <u><u>2,420</u></u>	\$ <u><u>2,426</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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 4,698	\$ 4,698	\$ -	\$ (4,698)
Expenditures:				
Current operations and maintenance:				
General government				
Materials and supplies	<u>1,448</u>	<u>1,448</u>	<u>-</u>	<u>1,448</u>
Net change in fund balance	3,250	3,250	-	(3,250)
Fund balance at beginning of year	<u>1,448</u>	<u>1,448</u>	<u>1,448</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>4,698</u></u>	\$ <u><u>4,698</u></u>	\$ <u><u>1,448</u></u>	\$ <u><u>(3,250)</u></u>

## City of Amherst, Ohio

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

#### Law Enforcement Fund

#### For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ <u>934</u>	\$ <u>934</u>	\$ <u>937</u>	\$ <u>3</u>
Expenditures:				
Security of persons and property				
Capital outlay	<u>1,025</u>	<u>1,845</u>	<u>820</u>	<u>1,025</u>
Excess of revenues over (under) expenditures	(91)	(911)	117	1,028
Other financing sources (uses):				
Sale of assets	<u>-</u>	<u>-</u>	<u>1,735</u>	<u>1,735</u>
Net change in fund balance	(91)	(911)	1,852	2,763
Fund balance at beginning of year	49	49	49	-
Prior year encumbrances appropriated	<u>1,025</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>983</u></u>	\$ <u><u>163</u></u>	\$ <u><u>2,926</u></u>	\$ <u><u>2,763</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>187</u>	\$ <u>187</u>	\$ <u>188</u>	\$ <u>1</u>
Expenditures				
Net change in fund balance	187	187	188	1
Fund balance at beginning of year	<u>63</u>	<u>63</u>	<u>63</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>250</u></u>	\$ <u><u>250</u></u>	\$ <u><u>251</u></u>	\$ <u><u>1</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, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>1,758</u>	\$ <u>1,758</u>	\$ <u>1,763</u>	\$ <u>5</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	<u>289</u>	<u>7,489</u>	<u>194</u>	<u>7,295</u>
Excess of revenues over (under) expenditures	1,469	(5,731)	1,569	7,300
Fund balance at beginning of year	1,979	1,979	1,979	-
Prior year encumbrances appropriated	<u>289</u>	<u>289</u>	<u>289</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>3,737</u></u>	\$ <u><u>(3,463)</u></u>	\$ <u><u>3,837</u></u>	\$ <u><u>7,300</u></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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>35,897</u>	\$ <u>35,897</u>	\$ <u>36,000</u>	\$ <u>103</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Salaries and wages	<u>36,538</u>	<u>41,538</u>	<u>41,463</u>	<u>75</u>
Net change in fund balance	(641)	(5,641)	(5,463)	178
Fund balance at beginning of year	<u>7,921</u>	<u>7,921</u>	<u>7,921</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>7,280</u></u>	\$ <u><u>2,280</u></u>	\$ <u><u>2,458</u></u>	\$ <u><u>178</u></u>



## City of Amherst, Ohio

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

#### Bullet Proof Vest Fund

#### For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>2,850</u>	\$ <u>2,850</u>	\$ <u>2,858</u>	\$ <u>8</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
General government	<u>1,446</u>	<u>1,446</u>	<u>997</u>	<u>449</u>
Net change in fund balance	1,404	1,404	1,861	457
Fund balance at beginning of year	(1,183)	(1,183)	(1,183)	-
Prior year encumbrances appropriated	<u>65</u>	<u>65</u>	<u>65</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>286</u></u>	\$ <u><u>286</u></u>	\$ <u><u>743</u></u>	\$ <u><u>457</u></u>

# City of Amherst, Ohio

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

### FEMA Grant Fund

#### **For The Year Ended December 31, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ <u>4,698</u>	\$ <u>4,698</u>	\$ <u>4,712</u>	\$ <u>14</u>
Excess of revenues over (under) expenditures	4,698	4,698	4,712	14
Other financing sources (uses):				
Transfer out	<u>(4,712)</u>	<u>(4,712)</u>	<u>(4,712)</u>	<u>-</u>
Net change in fund balance	(14)	(14)	-	14
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(14)</u></u>	\$ <u><u>(14)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>14</u></u>

# City of Amherst, Ohio

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

### Local Law Enforcement Fund

#### **For The Year Ended December 31, 2004**

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

Traffic Safety Grant Fund

**For The Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Salaries and wages	\$ 5,435	\$ 5,435	\$ 5,651	\$ (216)
Fringe benefits	1,329	1,329	77	1,252
Material & supplies	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>8,764</u>	<u>8,764</u>	<u>7,728</u>	<u>1,036</u>
Net change in fund balance	(8,764)	(8,764)	(7,728)	1,036
Fund balance at beginning of year	<u>8,767</u>	<u>8,767</u>	<u>8,767</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>3</u></u>	\$ <u><u>3</u></u>	\$ <u><u>1,039</u></u>	\$ <u><u>1,036</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ <u>250</u>	\$ <u>250</u>	\$ <u>250</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u><u>250</u></u>	\$ <u><u>250</u></u>	\$ <u><u>250</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

#### Recycling Fund

#### **For The Year Ended December 31, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 105,952	\$ 105,952	\$ 106,257	\$ 305
Miscellaneous	<u>97</u>	<u>97</u>	<u>97</u>	<u>-</u>
Total revenue	<u>106,049</u>	<u>106,049</u>	106,354	<u>305</u>
Expenditures:				
Current operations and maintenance:				
General government	<u>133,000</u>	<u>133,000</u>	<u>122,243</u>	<u>10,757</u>
Net change in fund balance	(26,951)	(26,951)	(15,889)	11,062
Fund balance at beginning of year	<u>24,022</u>	<u>24,022</u>	<u>24,022</u>	<u>-</u>
Fund balance at end of year	\$ <u>(2,929)</u>	\$ <u>(2,929)</u>	\$ <u>8,133</u>	\$ <u>11,062</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers - out	\$ <u>(6,000)</u>	\$ <u>(6,000)</u>	\$ <u>-</u>	\$ <u>6,000</u>
Net change in fund balance	(6,000)	(6,000)	-	6,000
Fund balance at beginning of year	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>6,000</u></u>	\$ <u><u>6,000</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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 49,218	\$ 49,218	\$ 49,360	\$ 142
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	50,000	50,000	50,476	(476)
Capital outlay	<u>253,367</u>	<u>253,367</u>	<u>27,749</u>	<u>225,618</u>
Total expenditures	<u>303,367</u>	<u>303,367</u>	<u>78,225</u>	<u>225,142</u>
Excess of revenues over (under) expenditures	<u>(254,149)</u>	<u>(254,149)</u>	<u>(28,865)</u>	<u>225,284</u>
Other financing sources (uses):				
Advance - in	99,713	99,713	100,000	287
Transfers - out	<u>(5,043)</u>	<u>(5,043)</u>	<u>-</u>	<u>5,043</u>
Total other financing sources (uses)	<u>94,670</u>	<u>94,670</u>	<u>100,000</u>	<u>5,330</u>
Net change in fund balance	(159,479)	(159,479)	71,135	230,614
Fund balance at beginning of year	8,858	8,858	8,858	-
Prior year encumbrances appropriated	<u>3,367</u>	<u>3,367</u>	<u>3,367</u>	<u>-</u>
Fund balance at end of year	\$ <u>(147,254)</u>	\$ <u>(147,254)</u>	\$ <u>83,360</u>	\$ <u>230,614</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	\$ <u>12,975</u>	\$ <u>12,975</u>	\$ <u>-</u>	\$ <u>12,975</u>
Net change in fund balance	(12,975)	(12,975)	-	12,975
Fund balance at beginning of year	<u>12,975</u>	<u>12,975</u>	<u>12,975</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>12,975</u></u>	\$ <u><u>12,975</u></u>

## City of Amherst, Ohio

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

#### General Obligation Bond Retirement Fund

#### For The Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 213,728	\$ 213,728	\$ 189,916	\$ (23,812)
Intergovernmental	49,369	28,935	24,646	(4,289)
Miscellaneous	<u>265,011</u>	<u>155,323</u>	<u>13,625</u>	<u>(141,698)</u>
Total revenues	<u>528,108</u>	<u>397,986</u>	<u>228,187</u>	<u>(169,799)</u>
Expenditures:				
Current operations and maintenance:				
General government	21,600	21,600	70,184	(48,584)
Debt service:				
Principal retirement	4,508,000	2,610,500	198,000	2,412,500
Interest and fiscal charges	<u>148,558</u>	<u>148,558</u>	<u>98,505</u>	<u>50,053</u>
Total expenditures	<u>4,678,158</u>	<u>2,780,658</u>	<u>366,689</u>	<u>2,413,969</u>
Excess of revenues over (under) expenditures	<u>(4,150,050)</u>	<u>(2,382,672)</u>	<u>(138,502)</u>	<u>2,244,170</u>
Other financing sources (uses):				
Proceeds from sale of debt	4,396,891	2,577,014	-	(2,577,014)
Transfers - out	<u>(148,256)</u>	<u>(148,256)</u>	<u>-</u>	<u>148,256</u>
Total other financing sources (uses)	<u>4,248,635</u>	<u>2,428,758</u>	<u>-</u>	<u>(2,428,758)</u>
Net change in fund balance	98,585	46,086	(138,502)	(184,588)
Fund balance at beginning of year	<u>395,556</u>	<u>395,556</u>	<u>395,556</u>	<u>-</u>
Fund balance at end of year	\$ <u>494,141</u>	\$ <u>441,642</u>	\$ <u>257,054</u>	\$ <u>(184,588)</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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax	\$ 234,672	\$ 234,672	\$ 235,348	\$ (676)
Intergovernmental	<u>30,086</u>	<u>30,086</u>	<u>30,173</u>	<u>(87)</u>
Total revenues	<u>264,758</u>	<u>264,758</u>	<u>265,521</u>	<u>(763)</u>
Expenditures:				
Capital outlay	<u>577,486</u>	<u>577,486</u>	<u>543,793</u>	<u>33,693</u>
Excess of revenues over (under) expenditures	(312,728)	(312,728)	(278,272)	34,456
Other financing sources (uses):				
Transfers - out	<u>(18,000)</u>	<u>(18,000)</u>	<u>(10,199)</u>	<u>7,801</u>
Net change in fund balance	(330,728)	(330,728)	(288,471)	42,257
Fund balance at beginning of year	184,313	184,313	184,313	-
Prior year encumbrances appropriated	<u>362,161</u>	<u>362,161</u>	<u>362,161</u>	<u>-</u>
Fund balance at end of year	\$ <u>215,746</u>	\$ <u>215,746</u>	\$ <u>258,003</u>	\$ <u>42,257</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	\$ <u>33,000</u>	\$ <u>33,000</u>	\$ <u>3,000</u>	\$ <u>30,000</u>
Net change in fund balance	(33,000)	(33,000)	(3,000)	30,000
Fund balance at beginning of year	<u>4,215</u>	<u>4,215</u>	<u>4,215</u>	<u>-</u>
Fund balance at end of year	\$ <u>(28,785)</u>	\$ <u>(28,785)</u>	\$ <u>1,215</u>	\$ <u>30,000</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, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 460,494	\$ 478,119	\$ 206,898	\$ (271,221)
Expenditures:				
Current operations and maintenance:				
Basic utility services				
Contractual services	29,045	30,045	29,506	539
Capital outlay	<u>499,000</u>	<u>499,000</u>	<u>499,000</u>	<u>-</u>
Total basic utility services	<u>528,045</u>	<u>529,045</u>	<u>528,506</u>	<u>539</u>
Transportation				
Contractual services	106	60,606	58,105	2,501
Capital outlay	<u>1,657,734</u>	<u>2,056,734</u>	<u>629,568</u>	<u>1,427,166</u>
Total transportation	<u>1,657,840</u>	<u>2,117,340</u>	<u>687,673</u>	<u>1,429,667</u>
Total expenditures	<u>2,185,885</u>	<u>2,646,385</u>	<u>1,216,179</u>	<u>1,430,206</u>
Excess of revenues over (under) expenditures	<u>(1,725,391)</u>	<u>(2,168,266)</u>	<u>(1,009,281)</u>	<u>1,158,985</u>
Other financing sources (uses):				
Advance - in	605,392	628,562	272,000	(356,562)
Transfers - in	419,546	435,603	188,500	(247,103)
Transfers - out	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>375,000</u>
Total other financing sources (uses)	<u>649,938</u>	<u>689,165</u>	<u>460,500</u>	<u>(228,665)</u>
Net change in fund balance	(1,075,453)	(1,479,101)	(548,781)	930,320
Fund balance at beginning of year	(45,756)	(45,756)	(45,756)	-
Prior year encumbrances appropriated	<u>781,484</u>	<u>781,484</u>	<u>781,484</u>	<u>-</u>
Fund balance at end of year	\$ <u>(339,725)</u>	\$ <u>(743,373)</u>	\$ <u>186,947</u>	\$ <u>930,320</u>

## City of Amherst, Ohio

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

#### City Hall Auditorium Fund

#### For The Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 2,850	\$ 2,850
Expenditures:				
Current operations and maintenance:				
Transportation				
Contractual services	89,567	89,567	64,567	25,000
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total transportation	<u>114,567</u>	<u>114,567</u>	<u>64,567</u>	<u>50,000</u>
Net change in fund balance	(114,567)	(114,567)	(61,717)	52,850
Fund balance at beginning of year	188,231	188,231	188,231	-
Prior year encumbrances appropriated	<u>64,567</u>	<u>64,567</u>	<u>64,567</u>	<u>-</u>
Fund balance at end of year	\$ <u>252,798</u>	\$ <u>252,798</u>	\$ <u>191,081</u>	\$ <u>52,850</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, 2004

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ <u>47,800</u>	\$ <u>47,800</u>	\$ <u>47,800</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u><u>47,800</u></u>	\$ <u><u>47,800</u></u>	\$ <u><u>47,800</u></u>	\$ <u><u>-</u></u>



## City of Amherst, Ohio

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

#### Health Insurance Fund

#### **For The Year Ended December 31, 2004**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ <u>1,100,000</u>	\$ <u>1,100,000</u>	\$ <u>537,451</u>	\$ <u>(562,549)</u>
Expenses:				
Contractual services	350,449	350,449	230,377	120,072
Claims	<u>750,000</u>	<u>750,000</u>	<u>302,401</u>	<u>447,599</u>
Total expenses	<u>1,100,449</u>	<u>1,100,449</u>	<u>532,778</u>	<u>567,671</u>
Net change in fund equity	(449)	(449)	4,673	5,122
Fund equity at beginning of year	272,662	272,662	272,662	-
Prior year encumbrances appropriated	<u>449</u>	<u>449</u>	<u>449</u>	<u>-</u>
Fund equity at beginning of year	\$ <u><u>272,662</u></u>	\$ <u><u>272,662</u></u>	\$ <u><u>277,784</u></u>	\$ <u><u>5,122</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, 2004**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ <u>100</u>	\$ <u>100</u>	\$ <u>80</u>	\$ <u>(20)</u>
Expenses:				
Capital outlay	<u>100</u>	<u>100</u>	<u>93</u>	<u>7</u>
Net change in fund equity	-	-	(13)	(13)
Fund equity at beginning of year	<u>4,036</u>	<u>4,036</u>	<u>4,036</u>	<u>-</u>
Fund equity at beginning of year	\$ <u><u>4,036</u></u>	\$ <u><u>4,036</u></u>	\$ <u><u>4,023</u></u>	\$ <u><u>(13)</u></u>

## **Statistical Section**

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

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# City of Amherst, Ohio

## Governmental Activities Revenues by Source and Expenses by Function

### Last Two Years

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	<u>2004</u>	<u>2003</u>
Program revenues:		
Charges for services	\$ 1,195,185	\$ 1,138,752
Operating grants and contributions	989,072	1,147,698
Capital grants and contributions	242,451	224,463
General revenues:		
Property taxes	1,192,237	994,262
Municipal income taxes	3,854,278	3,866,294
Grants and entitlements not restricted to specific programs	673,754	491,904
Investment earnings	301,412	286,316
Miscellaneous income	206,882	164,061
Gain on sale of assets	3,275	-
Transfers	<u>-</u>	<u>293,000</u>
Total	\$ <u>8,658,546</u>	\$ <u>8,606,750</u>
Expenses:		
General government	\$ 2,317,483	\$ 1,624,209
Security of persons and property	2,855,859	3,026,629
Public health and welfare	209,452	269,524
Transportation	2,351,243	1,632,491
Community development	317,254	348,226
Leisure time activities	186,117	324,696
Interest and fiscal charges	128,868	151,803
Transfers	<u>2,415</u>	<u>-</u>
Total	\$ <u>8,368,691</u>	\$ <u>7,377,578</u>

Source: City of Amherst, Finance Department

# City of Amherst, Ohio

## Governmental Revenues by Source and Expenditures by Function <sup>(1)</sup>

### Last Ten Years

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Property and other local taxes	\$ 1,188,100	\$ 991,775	\$ 1,167,758	\$ 1,169,182
Municipal income taxes	3,927,202	3,788,947	3,725,200	3,651,332
Intergovernmental	1,800,248	1,725,403	2,401,816	2,124,088
Charges for services	290,796	314,972	350,321	532,846
Fees, licenses and permits	366,938	420,083	217,192	318,079
Contributions and donations	4,386	164,205	48,241	151,050
Special assessments	-	-	-	-
Investment income	301,412	286,316	330,833	694,517
Rental income	-	28,185	22,350	-
Miscellaneous income	<u>162,089</u>	<u>135,306</u>	<u>81,084</u>	<u>134,786</u>
Total	<u>\$ 8,041,171</u>	<u>\$ 7,855,192</u>	<u>\$ 8,344,795</u>	<u>\$ 8,775,880</u>
Expenditures:				
Current:				
General government	1,665,590	\$ 1,181,052	\$ 1,342,248	\$ 1,870,746
Security of persons and property	2,766,068	2,662,351	2,509,091	2,354,057
Public health and welfare	207,574	266,206	212,335	232,374
Transportation	1,661,249	1,029,501	791,440	946,083
Community development	318,764	344,776	153,245	171,746
Leisure time activities	172,837	193,476	414,298	233,885
Basic utility services	-	-	-	-
Capital outlay	1,891,182	3,346,438	1,518,687	1,986,509
Debt service:				
Principal retirement	206,925	133,000	156,440	162,359
Interest and fiscal charges	<u>98,505</u>	<u>151,275</u>	<u>162,548</u>	<u>161,760</u>
Total	<u>\$ 8,988,694</u>	<u>\$ 9,308,075</u>	<u>\$ 7,260,332</u>	<u>\$ 8,119,519</u>

Source: City financial records

(1) Information is based on modified accrual.

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	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$	1,041,042	\$ 1,040,375	\$ 1,007,546	\$ 972,818	\$ 910,926	\$ 907,544
	3,343,168	3,448,136	3,339,333	2,986,265	3,156,450	2,828,240
	1,611,675	1,488,573	1,384,658	1,182,692	1,191,003	751,248
	539,138	472,839	394,814	342,182	455,777	401,807
	154,903	195,584	148,415	115,094	117,949	107,636
	15,000	-	-	-	-	-
	-	-	-	-	-	2,855
	988,512	845,505	542,981	453,349	410,243	484,963
	16,376	-	17,368	13,468	3,978	4,665
	<u>61,796</u>	<u>484,130</u>	<u>152,747</u>	<u>85,500</u>	<u>64,346</u>	<u>66,326</u>
\$	<u>7,771,610</u>	<u>7,975,142</u>	<u>6,987,862</u>	<u>6,151,368</u>	<u>6,310,672</u>	<u>5,555,284</u>
\$	2,286,294	\$ 1,666,854	\$ 1,038,884	\$ 1,010,571	\$ 822,054	\$ 574,354
	2,084,632	1,927,491	1,873,275	1,661,003	1,519,622	1,405,803
	211,198	183,883	226,816	157,076	143,368	113,481
	856,361	792,423	649,567	650,314	931,260	684,922
	206,578	131,734	109,571	91,357	63,865	124,636
	156,305	139,402	151,680	408,297	123,920	122,121
	-	-	-	81,935	83,989	13,283
	800,320	1,369,075	1,283,508	1,906,867	2,309,746	2,896,499
	125,161	276,000	101,000	96,000	91,000	92,681
	<u>160,349</u>	<u>195,468</u>	<u>280,350</u>	<u>183,009</u>	<u>183,150</u>	<u>180,737</u>
\$	<u>6,887,198</u>	<u>6,682,330</u>	<u>5,714,651</u>	<u>6,246,429</u>	<u>6,271,974</u>	<u>6,208,517</u>

# City of Amherst, Ohio

## Property Tax Levies and Collections

### Last Ten Years

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<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>
2004	\$ 1,265,889	\$ 1,235,798	97.62%	\$ 28,813
2003	1,182,379	1,150,168	97.28%	33,819
2002	1,161,290	1,124,502	96.83%	26,128
2001	1,149,617	1,118,764	97.32%	30,690
2000	1,022,049	990,743	96.94%	24,251
1999	1,014,406	987,449	97.34%	23,639
1998	1,060,110	1,033,552	97.49%	30,917
1997	811,095	785,675	96.87%	12,552
1996	779,678	764,027	97.99%	14,087
1995	746,027	730,196	97.88%	13,488

Source: Lorain County Auditor

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



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	<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>
\$	1,265,611	99.98%	\$ 55,427	4.38%
	1,183,987	100.14	30,799	2.60
	1,150,630	99.08	23,582	2.03
	1,149,454	99.99	35,546	3.09
	1,014,994	99.31	38,346	3.75
	1,011,088	99.67	32,596	3.21
	1,064,469	100.41	31,958	3.01
	798,227	98.41	29,368	3.62
	778,114	99.80	18,576	2.38
	743,684	99.69	19,267	2.58

# 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>
2004	\$ 274,744,430	\$ 784,984,086	\$ 3,824,890	\$ 4,346,466
2003	242,214,990	692,042,829	3,944,970	4,482,920
2002	235,848,250	673,852,143	3,780,300	4,295,795
2001	231,059,630	660,170,371	5,692,860	6,469,159
2000	196,606,640	561,733,257	5,701,900	6,479,432
1999	191,456,420	547,018,343	5,853,200	6,651,364
1998	181,472,120	518,491,771	5,778,870	6,566,898
1997	148,646,190	424,703,400	5,811,310	6,603,761
1996	143,163,470	409,038,486	5,829,430	6,624,352
1995	135,840,110	388,114,600	6,584,340	7,482,205

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.

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<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>	
\$ 14,702,555	\$ 58,810,220	\$ 293,271,875	\$ 848,140,772	34.23%
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

## City of Amherst, Ohio

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

#### Last Ten Years

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<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>
2004	\$ 4.75	\$ 1.00	\$ 13.19	\$ 61.98	\$ 2.45	\$ 83.37
2003	4.75	1.00	12.89	62.05	2.45	83.14
2002	4.80	1.00	12.89	60.88	2.45	82.02
2001	6.13	-	10.79	62.42	2.45	81.79
2000	6.77	-	10.79	57.98	2.45	77.99
1999	6.77	-	10.79	57.98	2.45	77.99
1998	6.77	-	10.79	57.98	2.45	77.99
1997	6.77	-	12.69	57.98	2.45	79.89
1996	5.77	-	12.69	53.08	2.45	73.99
1995	5.77	-	12.69	53.08	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

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<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>
2004	11,797	\$ 293,271,875	\$ 2,779,497	\$ 257,053	\$ 2,522,444	0.86%	\$ 213.82
2003	11,797	263,578,580	2,948,000	395,556	2,552,444	0.97%	216.36
2002	11,797	258,977,170	2,781,000	541,686	2,239,314	0.86%	189.82
2001	11,797	255,705,490	2,904,000	482,033	2,421,967	0.95%	205.30
2000	10,332	220,496,771	3,027,000	430,891	2,596,109	1.18%	251.27
1999	10,332	216,144,509	3,145,000	449,543	2,695,457	1.25%	260.88
1998	10,332	204,165,690	3,421,000	440,005	2,980,995	1.46%	288.52
1997	10,332	171,909,020	2,822,000	313,507	2,508,493	1.46%	242.79
1996	10,332	164,781,051	2,918,000	195,720	2,722,280	1.65%	263.48
1995	10,332	162,305,136	3,009,000	141,972	2,867,028	1.77%	277.49

(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, 2004**

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Assessed Valuation		\$ <u>293,271,875</u>
Debt Limit - 10.5% of Assessed Value (1)		\$ 30,793,547
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 2,779,497	
OPWC Loans	77,071	
Enterprise Funds' Notes	1,715,000	
Enterprise Funds' Bonds	4,495,000	
Enterprise Funds' OWDA Loan	9,357,962	
Enterprise Funds' OPWC Loan	<u>89,682</u>	
Total Gross Indebtedness	<u>18,514,212</u>	
Less: Debt Outside Limitations:		
OPWC Loan	77,071	
Enterprise Funds' Notes	1,715,000	
Enterprise Funds' Bonds	4,495,000	
Enterprise Funds' OWDA Loan	9,357,962	
Enterprise Funds' OPWC Loan	<u>89,682</u>	
Total Debt Outside Limitations	<u>15,734,715</u>	
Total Debt Applicable to Limitation - Within 10.5% Limitations	2,779,497	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitations	<u>257,053</u>	
Net Debt Within 10.5% Limitation		<u>2,522,444</u>
Overall Debt Margin Within 10.5% Limitation		\$ <u>28,271,103</u>
<hr/>		
Unvoted Debt Limitation - 5.5% of Assessed Value		\$ 16,129,953
Gross Indebtedness Authorized by Council	\$ <u>18,514,212</u>	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	<u>15,734,715</u>	
Debt Within 5.5% Limitation	2,779,497	
Less: Amount Available in Debt Service Fund	<u>257,053</u>	
Net Debt Within 5.5% Limitation		<u>2,522,444</u>
Unvoted Debt Margin Within 5.5% Limitation		\$ <u>13,607,509</u>

# City of Amherst, Ohio

## Computation of Direct and Overlapping Debt

**December 31, 2004**

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	<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	\$ 2,779,497	100.00%	\$ 2,779,497
Overlapping:			
Lorain County	<u>25,320,000</u>	4.70%	<u>1,190,040</u>
Total	\$ <u>28,099,497</u>		\$ <u>3,969,537</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

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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2004	\$ 198,000	\$ 99,355	\$ 297,355	\$ 8,988,694	3.31%
2003	128,000	145,267	273,267	9,308,075	2.94%
2002	123,000	148,708	271,708	7,260,332	3.74%
2001	123,000	154,295	277,295	8,119,519	3.42%
2000	118,000	159,548	277,548	6,887,198	4.03%
1999	276,000	188,729	464,729	6,682,330	6.95%
1998	101,000	145,682	246,682	5,714,651	4.32%
1997	96,000	149,630	245,630	6,271,974	3.89%
1996	91,000	153,234	244,234	6,271,974	3.89%
1995	91,000	156,526	247,526	6,208,517	3.99%

Source: City of Amherst, Auditor's Office



# City of Amherst, Ohio

## Demographic Statistics

### Last Ten Years

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<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Lorain County (3)</u>
2004	11,797	4,232	6.2%
2003	11,797	4,190	6.6%
2002	11,797	3,967	7.1%
2001	11,797	3,758	5.6%
2000	11,797	3,873	5.4%
1999	10,332	3,768	5.0%
1998	10,332	3,732	3.6%
1997	10,332	3,629	6.1%
1996	10,332	3,608	7.8%
1995	10,332	3,463	5.1%

(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

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<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>		
2004	\$ 17,667,354	\$ 3,418,612	\$ 685,900	\$ 293,271,875
2003	21,372,258	8,987,846	649,005	263,578,580
2002	16,297,860	8,132,228	614,592	255,705,490
2001	13,896,947	15,372,806	555,591	255,705,490
2000	13,028,745	648,696	513,102	220,496,771
1999	19,091,385	1,038,000	463,993	216,144,509
1998	10,253,228	4,099,000	444,974	204,165,690
1997	9,228,019	4,170,000	1,381,977	171,909,020
1996	12,362,892	7,855,000	1,329,795	164,781,051
1995	11,736,877	7,161,000	1,237,991	164,781,051

(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, 2004**

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<u>Taxpayer</u>	<u>Real Property Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Nordson, Inc.	\$ 4,761,510	1.62%
Amherst Plaza Limited	2,849,360	0.97%
Acadia Amherst, LLC	2,143,750	0.73%
Centurytel of Ohio, Inc.	1,414,310	0.48%
Amherst Manor Company	993,290	0.34%
M Six Penvest II Business	944,430	0.32%
Central Village LTD Company	933,290	0.32%
Cawrse Richard, Jr.	877,600	0.30%
Ohio Edison	851,030	0.29%
Pinecrest Apartments LTD	<u>805,750</u>	<u>0.27%</u>
Totals	\$ <u>16,574,320</u>	<u>5.65%</u>
Assessed Valuation	\$ <u>293,271,875</u>	

(1) Assessed valuation based on the valuation of property for taxes collected in 2004 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, 2004**

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Date of incorporation	1962
Form of government	Mayor/Council
Area	5.26 Square Miles
Miles of streets	69
Number of street lights	1,467
Fire protection:	
Number of stations	1
Number of firefighters and officers	33
Police protection:	
Number of stations	1
Number of policepersons and officers	35
Municipal water department:	
Active accounts	5,808
Average daily consumption	1,169,194 Gallons
Miles of water mains	44
Sewers:	
Active accounts	4,636
Average amount processed daily	1,002,355 Gallons
Miles of sanitary sewers	38
Miles of storm sewers	28
Electric accounts:	
Active accounts	5,590
Average daily consumption	250,136 Kilowatt Hours
Building permits issued	1,004
Recreation and culture:	
Number of parks	4
Number of libraries	1
Number of library volumes	75,000
Employees:	
Full-time	68
Part-time	63



**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  
NOVEMBER 10, 2005**