

CITY OF AMHERST

Lorain County, Ohio

Regular Audit

January 1, 2006 through December 31, 2006

Fiscal Year Audited Under GAGAS: 2006

BALESTRA, HARR & SCHERER, CPAS, INC.
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Mary Taylor, CPA
Auditor of State

Mayor and Members of City 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, 2006 through December 31, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 21, 2007

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CITY OF AMHERST
LORAIN COUNTY, OHIO

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
Schedule of Prior Year Audit Findings	3

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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*

City of Amherst
Lorain County
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 City of Amherst (the City), Lorain County, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 31, 2007, in which we indicated the City implemented Governmental Accounting Standards Board Statements No. 44, 46 and 47. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

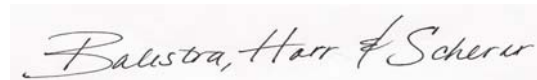
City of Amherst
Lorain County

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*
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and members of 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.

May 31, 2007

**CITY OF AMHERST
LORAIN COUNTY**

**SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Citation of Ohio Revised Code Section 5705.39. Appropriations exceeded estimated resources.	Yes	

City of Amherst, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

Prepared by:
David Kukucka, City Auditor

Introductory Section

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City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2006

Table of Contents	Page
I. Introductory Section	
Title Page.....	i
Table of Contents.....	ii
Letter of Transmittal.....	vi
GFOA Certificate of Achievement.....	xiv
Organizational Chart.....	xv
List of Principal Officials.....	xvi
II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual: General Fund.....	22
Statement of Fund Net Assets – Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Assets – Fiduciary Funds.....	27
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund.....	28
Notes to the Basic Financial Statements.....	29

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2006

Table of Contents Page

II. Financial Section (Continued)

Combining Statements and Individual Fund Schedules:

Combining Statements: Nonmajor Governmental Funds:

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

Combining Statements – Fiduciary Funds:

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

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

Major Funds:

General Fund.....	82
Street Improvement Income Tax Fund.....	87
Issue II Improvement Fund	88
Water Fund.....	89
Sewer Fund	90
Electric Fund.....	91

Nonmajor Funds:

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

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2006

Table of Contents **Page**

II. Financial Section (Continued)

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

III. Statistical Section

Net Assets by Component – Last Five Years.....	126
Changes in Net Assets – Last Five Years	127
Fund Balances, Governmental Funds – Last Ten Years	129
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	130
Enterprise Funds Summary Data – Last Ten Years	132
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years.....	134
Property Tax Rates – Last Ten Years	136
Property Tax Levies and Collections – Last Ten Years.....	137
Principal Property Taxpayers.....	138
Income Tax Revenue Base and Collections – Last Ten Years.....	139
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	140
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita – Last Ten Years.....	141
Computation of Direct and Overlapping Governmental Activities Debt	142

City of Amherst, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2006

Table of Contents	Page
III. Statistical Section (Continued)	
Legal Debt Margin – Last Ten Years.....	144
Principal Employers - Current Year and Nine Years Ago	146
Demographic and Economic Statistics – Last Ten Years.....	147
Full-Time Equivalent City Government Employees by Function/Program – Last Five Years	148
Operating Indicators by Function/Program – Last Five Years.....	149
Capital Assets Statistics by Function/Program - 2006	151



City Of **Amherst**

David C. Kukucka, Auditor

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May 31, 2007

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

We are pleased to submit to you the City of Amherst's fifth Comprehensive Annual Financial Report (CAFR) using the reporting model required by Governmental Accounting Standards Board Statement Number 34 for the year ended December 31, 2006.

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

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

The Reporting Entity

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

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

THE CITY

General Introduction

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

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

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

Percent of Assessed Valuation of Real Property (Collection Year 2006)	
Residential	84.53%
Commercial/Industrial	14.17
Public Utility	1.17
Agricultural	0.13
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

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

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

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

Banking and financial services are provided to the City residents and businesses by offices of local commercial banks and savings and loan associations such as Fifth Third, Lorain National, U.S.

Bank, J.P. Morgan Chase and, recently opened, First Federal Savings of Lorain.

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

City Government

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

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

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

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

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

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

City Facilities

The City's facilities estimated replacement value is \$37,938,227.

City property is exempt from ad valorem taxation. The estimated values are based on current insurance replacement values.

The City currently carries real property and contents casualty insurance in the amount of \$37,938,227, with a deductible of \$5,000.

Economic and Demographic Information

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

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

Utilities; Public Safety and Services

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

The City owns and operates a sanitary sewer system consisting of a wastewater treatment plant, 69 miles of sanitary sewers and six pump stations, and serving approximately 4,704 residential and commercial users living both within and outside the City. The treatment plant was built in 1927, expanded in 1956, 1970 and 1986, and upgraded in 1990, 1994, and 2005. The City is currently in compliance with State environmental laws. The City has a National Pollutant Discharge Elimination System Permit. With the expanded plant the quantity of sewage permitted to be treated was increased.

The City's electric distribution system consists of two substations, 51 miles of overhead lines and approximately 17 miles of underground lines, and serves approximately 5,631 residential and commercial users within and outside the City. The City began to operate an electric utility during the 1920s. During the 1940s, it constructed an electric generating plant and began providing electric service to residential and commercial customers from its generating facilities and electricity purchased from commercial sources. In the early 1950s, the City retired its generating plant but continued distributing electric power purchased from other sources. The electric system was renovated in 1972 and 1980. In 1988, the entire system was upgraded with a new substation on the City's west side and in 1999, the City rebuilt the Gordon Avenue substation. In 1992, the City entered into a contract with American Municipal Power – Ohio, Inc. (AMP-Ohio) under which AMP-Ohio agreed to supply 100% of the electricity required by the City, expiring in 2007. In 2000, the Northeast Service Group entered into a joint venture (JV1) agreement to purchase peak generation. In 2002, the City entered into an agreement with AMP-Ohio to look into the feasibility of building a new power generation plant. The City has the right to purchase power from other sources but currently does not.

The City owns and operates a water distribution system with over 70 miles of water lines. The City purchases water from the Cities of Elyria and Lorain and distributes it to approximately 5,737 residential and commercial users within and outside the City. The system was built in 1911, renovated in 1964, 1968 and 1990 and most recently expanded in 1996. The City's contract with Elyria expires on September 30, 2015; the contract with Lorain has no stated expiration date.

Economic Activity

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

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

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

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

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

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

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

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

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

“working” sandstone quarry.

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

In addition, several new projects in the City were completed recently. A new banking facility for First Federal Savings of Lorain was completed in May 2006. A new restaurant (Moosehead Bar & Grille) was completed in December 2005 on Route 58. A Toyota dealership opened in June 2006 off Route 2.

FINANCIAL MATTERS

Introduction

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

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

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

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

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

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Financial Reports and Audits

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

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

The City has issued a Comprehensive Annual Financial Report (CAFR), including General Purpose Financial Statements for each of the Fiscal Years 1999 through 2001 and Basic Financial

Statements each of the Fiscal Years 2002 through 2005. The CAFRs through Fiscal Year 2005 were awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental reporting agencies that comply with the GFOA reporting standards. The City has submitted its 2006 CAFR to GFOA for consideration.

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

The most recent audit (including compliance audit) of the City's accounts by Balestra, Harr & Scherer, an independent accounting firm, was completed through Fiscal Year 2005. The Basic Financial Statements of the City for Fiscal Year 2006, have been audited by Balestra, Harr & Scherer, independent auditors, as stated in their report appearing in these statements.

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

Internal Control

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

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

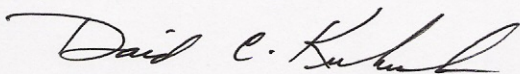
Acknowledgements

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

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

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

Respectfully submitted,



David C. Kukucka
Amherst City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Amherst
Ohio

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

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



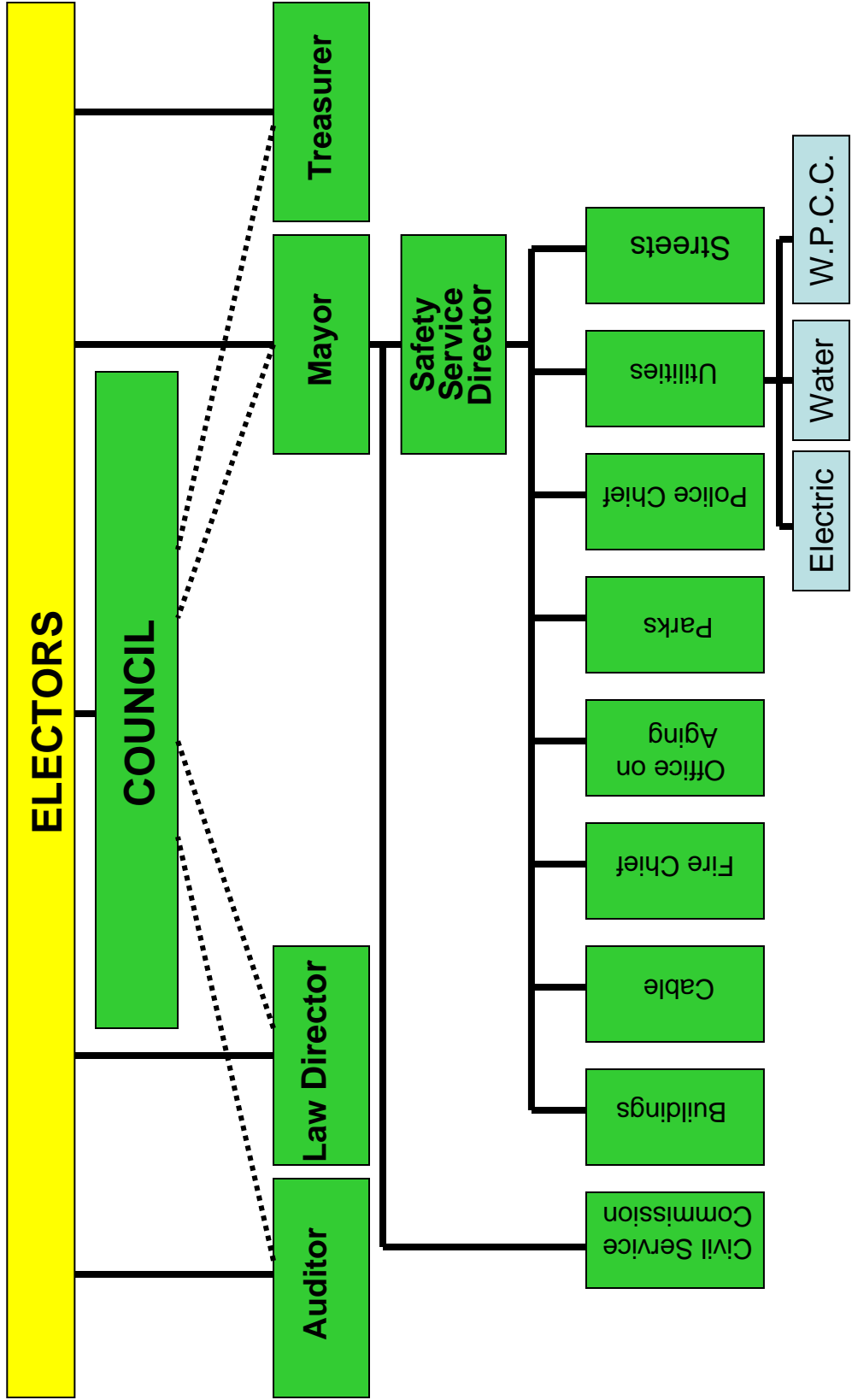
President

Executive Director

Management Structure

City of Amherst

Departmental Organizational Chart



City of Amherst, Ohio

Principal Officials

Elected Officials

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

Appointed Officials

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

Financial Section

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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Piketon, Ohio 45661

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Fax (740) 289-3639

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio, (the "City"), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

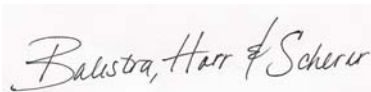
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amherst, Ohio, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

As described in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement Number 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*.



Balestra, Harr & Scherer CPAs, Inc.
May 31, 2007

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2006 are:

- Total assets increased by \$4,091,065, or a 6 percent increase over 2005.
- Total net assets increased by \$2,631,185, or a 5 percent increase over 2005.
- Total net capital assets increased by \$1,919,040, or a 5 percent increase over 2005.
- Total outstanding long-term liabilities decreased by \$1,473,150. This was a 9 percent increase over 2005 and due primarily to the issuance of \$2,275,000 in various purpose bonds during 2006.
- City income tax revenue for governmental activities totaled \$4,146,573, or a 4 percent increase over 2005.

Using this Comprehensive Annual Financial Report (CAFR)

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did the City do financially during 2006?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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 2006 compared to 2005.

Table 1
Net Assets

	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005*	2006	2005
Current and other assets	\$ 15,860,114	\$ 14,805,324	\$ 12,492,008	\$ 11,374,773	\$ 28,352,122	\$ 26,180,097
Capital assets, net	20,070,592	18,539,043	23,376,330	22,988,839	43,446,922	41,527,882
Total assets	35,930,706	33,344,367	35,868,338	34,363,612	71,799,044	67,707,979
Current and other liabilities	2,292,896	1,917,618	553,284	941,832	2,846,180	2,859,450
Long-term liabilities:						
Due within one year	314,294	214,877	820,970	665,751	1,135,264	880,628
Due in more than one year	4,002,611	2,640,603	13,144,983	13,288,477	17,147,594	15,929,080
Total liabilities	6,609,801	4,773,098	14,519,237	14,896,060	21,129,038	19,669,158
Invested in capital assets net of related debt	15,915,559	15,848,347	10,882,276	10,666,565	26,797,835	26,514,912
Restricted for:						
Capital projects	6,350,070	5,775,685	-	-	6,350,070	5,775,685
Debt service	522,199	389,713	-	-	522,199	389,713
Other purposes	1,777,456	1,623,160	-	-	1,777,456	1,623,160
Unrestricted	4,755,621	4,934,364	10,466,825	8,800,987	15,222,446	13,735,351
Total net assets	\$ 29,320,905	\$ 28,571,269	\$ 21,349,101	\$ 19,467,552	\$ 50,670,006	\$ 48,038,821

* As restated – see Note 18.

Total assets increased by \$4,091,065 from 2005 to 2006 primarily due to the cash and cash equivalents increasing \$1,886,796 and capital assets increasing \$1,919,040.

Total liabilities increased by \$1,459,880, primarily due to the net affect of payment of long term debt and the issuance of \$2,275,000 in various purpose bonds during the year.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Table 2 shows the changes in net assets for 2006 compared with 2005.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005*	2006	2005
Revenues						
Program Revenues:						
Charges for services	\$ 619,449	\$ 664,937	\$ 12,614,936	\$ 11,626,569	\$ 13,234,385	\$ 12,291,506
Operating grants and contributions	1,103,776	1,409,358	-	-	1,103,776	1,409,358
Capital grants and contributions	268,242	260,435	-	1,142,046	268,242	1,402,481
Total program revenues	1,991,467	2,334,730	12,614,936	12,768,615	14,606,403	15,103,345
General revenues:						
Property taxes	1,356,659	1,387,620	-	-	1,356,659	1,387,620
Municipal income taxes	4,146,573	3,969,711	-	-	4,146,573	3,969,711
Grants and entitlements	461,827	389,082	-	-	461,827	389,082
Investment earnings	968,739	518,177	-	-	968,739	518,177
Gain on sale of assets	3,778	10,798	3,675	-	7,453	10,798
Miscellaneous income	233,576	148,285	449,800	138,743	683,376	287,028
Unrestricted contributions	12,993	-	-	-	12,993	-
Total general revenues	7,184,145	6,423,673	453,475	138,743	7,637,620	6,562,416
Extraordinary item:						
Settlement	-	357,378	-	-	-	357,378
Total revenues	9,175,612	9,115,781	13,068,411	12,907,358	22,244,023	22,023,139
Program Expenses:						
General government	1,171,650	951,096	-	-	1,171,650	951,096
Security of persons and property	3,586,487	3,785,329	-	-	3,586,487	3,785,329
Public health and welfare	213,065	205,063	-	-	213,065	205,063
Transportation	2,382,629	1,984,088	-	-	2,382,629	1,984,088
Community development	598,737	52,768	-	-	598,737	52,768
Leisure time activities	247,131	185,408	-	-	247,131	185,408
Central services	-	34,371	-	-	-	34,371
Interest and fiscal charges	226,277	119,966	-	-	226,277	119,966
Water	-	-	1,652,501	1,791,620	1,652,501	1,791,620
Sewer	-	-	2,090,383	3,998,887	2,090,383	3,998,887
Electric	-	-	7,443,978	8,520,416	7,443,978	8,520,416
Total program expenses	8,425,976	7,318,089	11,186,862	14,310,923	19,612,838	21,629,012
Change in net assets	749,636	1,797,692	1,881,549	(1,403,565)	2,631,185	394,127
Net Assets, Beginning of Year	28,571,269	26,773,577	19,467,552	20,871,117	48,038,821	47,644,694
Net Assets, End of Year	\$29,320,905	\$28,571,269	\$21,349,101	\$19,467,552	\$50,670,006	\$48,038,821

* As restated – See Note 18

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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 close to forty-five percent of the total revenues. City Ordinance 67-50 passed on 9-25-67 established Amherst City income tax. Chapter 191 of the Codified Ordinances of the City of Amherst Ohio discusses the subject in depth.

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

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

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

General property taxes are also a significant source of revenues. Although this is a much more stable tax, property taxes constitute only about 19% 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. Over the past several years, local government subsidies have become less stable with State Budget cuts and county distribution formulas being challenged in court. Estate taxes have also been a significant contributor to this City's budget, but much less stable and not at all predictable. Both of these forms of intergovernmental taxes are at risk due to budget concerns at the State level.

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

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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, most of the participants have agreed to pay the debt service requirements of the bonds. However, the City of Amherst issued its own debt to pay its share of the cost. Payments are to be made solely from the resources of the City's Electric Enterprise Fund.

The Electric Fund experienced an increase in revenues from 2005 to 2006. This increase is due to the City increasing the kilowatt per hour charge to the customer. Operating expenses decreased in the Electric Fund due to savings yielded by the purchase power agreement, which resulted in a decrease in contractual services expense from 2005 to 2006. The Sewer Fund had a decrease in contractual services expense from 2005 to 2006 due to a decrease in the number of engineering and feasibility studies conducted.

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
	2006	2006	2006	2006	2006	2006
General government	\$ 1,171,650	\$ 1,018,217	\$ -	\$ -	\$ 1,171,650	\$ 1,018,217
Security of persons and property	3,586,487	3,170,582	-	-	3,586,487	3,170,582
Public health and welfare	213,065	94,654	-	-	213,065	94,654
Transportation	2,382,629	1,499,914	-	-	2,382,629	1,499,914
Community development	598,737	365,369	-	-	598,737	365,369
Leisure time activities	247,131	108,167	-	-	247,131	108,167
Interest and Fiscal Charges	226,277	177,606	-	-	226,277	177,606
Water	-	-	1,652,501	(239,832)	1,652,501	(239,832)
Sewer	-	-	2,090,383	(231,414)	2,090,383	(231,414)
Electric	-	-	7,443,978	(956,828)	7,443,978	(956,828)
Total Cost of Services	\$ 8,425,976	\$ 6,434,509	\$ 11,186,862	\$ (1,428,074)	\$ 19,612,838	\$ 5,006,435

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$11,829,944 and expenditures and other financing uses of \$11,082,138. The most significant fund is the General Fund with a year-end balance of \$1,962,001, which included an unreserved fund balance of \$1,894,564, compared to annual expenditures and other financing uses of \$5,038,037. While expenditures and other financing uses exceeded revenues by \$57,829, this was covered by the beginning fund balance of \$2,019,830.

The Street Improvement Income Tax Fund had a year end balance of \$4,320,014 with revenues of \$2,008,833, proceeds of OPWC loans of \$189,130, expenditures of \$2,255,179 and transfers out of \$238,182. There was a net decrease in fund balance of \$295,398.

The State Issue II Fund had a year end balance of \$1,836,853 with revenues of \$271,694, transfers in of \$238,182, proceeds from bonds of \$1,475,000, and expenditures of \$850,907. There was a net increase in fund balance of \$1,133,969.

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 2006, the City amended its General Fund budget several times for a total increase in budgeted expenditures of \$167,540. 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 \$745,628 which was primarily due to income and property tax actual revenues exceeding final budgeted revenues by \$343,328, interest actual revenues exceeding final budgeted revenues by \$547,438, and transfers in exceeding final budget by \$267,028.

The General Fund's actual expenditures were \$306,488 less than final budgeted expenditures with one of the primary reasons due to general governmental actual expenditures being \$173,978 less than final budgeted expenditures. Actual transfers out were also \$137,412 less than the final amount budgeted.

The General Fund supports many major activities such as the Police Department, Fire Department, Building Department, as well as the legislative and executive activities. Some major capital projects are funded with General Fund dollars. Although the original appropriations were gradually increased during the year, the City continued to maintain a respectable level of liquidity in the General Fund by maintaining an unreserved cash balance of \$1,680,964 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, 2006

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005*	2006	2005
Land	\$ 1,289,984	\$ 1,289,984	\$ 52,000	\$ 52,000	\$ 1,341,984	\$ 1,341,984
Construction in progress	106,598	-	-	-	106,598	-
Buildings	2,951,604	3,063,956	5,544,687	5,228,051	8,496,291	8,292,007
Improvements other than buildings	745,273	798,718	2,999,529	3,142,035	3,744,802	3,940,753
Machinery and equipment	1,295,753	1,300,874	6,480,785	6,428,967	7,776,538	7,729,841
Vehicles	974,565	670,894	67,401	73,884	1,041,966	744,778
Infrastructure:						
Roads	12,706,815	11,414,617	-	-	12,706,815	11,414,617
Water lines	-	-	2,252,672	2,157,794	2,252,672	2,157,794
Sewer lines	-	-	4,446,926	4,573,552	4,446,926	4,573,552
Electric lines	-	-	1,532,330	1,332,556	1,532,330	1,332,556
Total capital assets	<u>\$ 20,070,592</u>	<u>\$ 18,539,043</u>	<u>\$ 23,376,330</u>	<u>\$ 22,988,839</u>	<u>\$ 43,446,922</u>	<u>\$ 41,527,882</u>

* As reclassified - see Note 7.

Total capital assets for the City of Amherst as of December 31, 2006 were \$43,446,922. For additional information on capital assets, see Note 7 to the basic financial statements.

Issue II funds have been a continued source of resources for improvements for several years, and our current .5% income tax for street improvements will continue to provide the necessary matching funds through 2010 when the current levy will be up for renewal.

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Debt

On December 31, 2006, the City of Amherst had \$18,282,858 in bonds, loans, capital leases, compensated absences and notes outstanding with \$1,135,264 due within one year. Table 5 summarizes bonds, loans, capital leases, notes outstanding and compensated absences.

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 3,903,525	\$ 2,615,759	\$ 4,554,999	\$ 4,140,000	\$ 8,458,524	\$ 6,755,759
Notes payable	-	-	1,432,000	1,585,000	1,432,000	1,585,000
OWDA loans	-	-	7,824,569	8,099,235	7,824,569	8,099,235
OPWC loans	249,791	70,646	114,486	83,039	364,277	153,685
Capital leases	1,717	4,291	-	-	1,717	4,291
Compensated absences	161,872	164,784	39,899	46,954	201,771	211,738
Total	<u>\$ 4,316,905</u>	<u>\$ 2,855,480</u>	<u>\$ 13,965,953</u>	<u>\$ 13,954,228</u>	<u>\$ 18,282,858</u>	<u>\$ 16,809,708</u>

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

Current Issues

The City of Amherst is currently in a positive cash position having a total unrestricted cash balance of \$19,401,679 as of December 31, 2006. The major strength of the cash balance is in the Street Improvement Income Tax Fund and in the Enterprise Funds. Both of these areas continue to have extensive capital projects underway. Each year since its inception in 1999, the Street Improvement Income Tax Fund has financed an aggressive street improvement program. All roads, with the exception of the Jackson Street, have been repaired and are in good working order. The second water tower has been upgraded and renovated; however, a study is continuing to determine pressure problems in the system that may have to be corrected. Water meters are currently being replaced. The new Water Pollution Control Center was completed in 2005.

Economic Factors

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

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

Although the City of Amherst is land locked on the north by the City of Lorain; that is not the case on the southern edge of town. In 1999 the City of Amherst annexed 57 acres of land on the southeastern edge of the City. This property was zoned for light industrial use by the township. In 2000, the City council voted to maintain this zoning

City of Amherst, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

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.

A new Toyota dealership has opened along Route 2 in the City during 2006. Also, a new Target department store is being constructed and will open during 2007.

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) 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 was approved for \$400,000 for fiscal years 2004 and 2005. Half of this grant came 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. A third grant has been approved for \$400,000 for fiscal years 2006 and 2007. Over half of this grant will be for downtown business owners' rehabilitations and the remainder for street improvements and administration.

Contacting the City's Finance Department

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

Basic Financial Statements

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City of Amherst, Ohio

Statement of Net Assets

December 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,935,297	\$ 7,466,382	\$ 19,401,679
Restricted assets:			
Customer deposits	-	182,653	182,653
Cash and cash equivalents with escrow agents	-	68,000	68,000
Accounts receivable	99,640	2,846,940	2,946,580
Intergovernmental receivable	638,378	-	638,378
Prepaid items	66,108	22,574	88,682
Materials and supplies inventory	157,548	343,127	500,675
Income taxes receivable	1,620,487	-	1,620,487
Property taxes receivable	1,342,656	-	1,342,656
Investment in joint venture	-	1,562,332	1,562,332
Non-depreciable capital assets	1,396,582	52,000	1,448,582
Depreciable capital assets, net	18,674,010	23,324,330	41,998,340
Total assets	<u>35,930,706</u>	<u>35,868,338</u>	<u>71,799,044</u>
Liabilities:			
Accounts payable	516,028	163,146	679,174
Claims payable	146,987	-	146,987
Accrued wages and benefits payable	111,611	53,393	165,004
Intergovernmental payable	181,592	77,901	259,493
Accrued interest payable	8,820	8,191	17,011
Matured compensated absences payable	14,688	-	14,688
Unearned revenue	1,313,170	-	1,313,170
Retainage payable	-	68,000	68,000
Customer deposits	-	182,653	182,653
Long-term liabilities:			
Due within one year	314,294	820,970	1,135,264
Due in more than one year	4,002,611	13,144,983	17,147,594
Total liabilities	<u>6,609,801</u>	<u>14,519,237</u>	<u>21,129,038</u>
Net assets:			
Invested in capital assets, net of related debt	15,915,559	10,882,276	26,797,835
Restricted for:			
Capital projects	6,350,070	-	6,350,070
Debt service	522,199	-	522,199
Other purposes	1,777,456	-	1,777,456
Unrestricted	4,755,621	10,466,825	15,222,446
Total net assets	<u>\$ 29,320,905</u>	<u>\$ 21,349,101</u>	<u>\$ 50,670,006</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Activities

For the Year Ended December 31, 2006

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,171,650	\$ 98,555	\$ 38,841	\$ 16,037
Security of persons and property	3,586,487	388,358	27,547	-
Public health and welfare	213,065	19,215	99,196	-
Transportation	2,382,629	70,446	600,652	211,617
Community development	598,737	27,440	205,928	-
Leisure time activities	247,131	14,587	124,377	-
Interest and fiscal charges	226,277	848	7,235	40,588
Total governmental activities	<u>8,425,976</u>	<u>619,449</u>	<u>1,103,776</u>	<u>268,242</u>
Business-type activities				
Water	1,652,501	1,892,333	-	-
Sewer	2,090,383	2,321,797	-	-
Electric	7,443,978	8,400,806	-	-
Total business-type activities	<u>11,186,862</u>	<u>12,614,936</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,612,838</u>	<u>\$ 13,234,385</u>	<u>\$ 1,103,776</u>	<u>\$ 268,242</u>

General revenues:

Property taxes levied for:

 General purposes

 Debt service

 Capital projects

Income tax levied for:

 General purposes

 Capital projects

Grants and entitlements not restricted to
specific programs

Investment earnings

Miscellaneous income

Gain on sale of capital assets

Unrestricted contributions

Total general revenues

Change in net assets

Net assets at beginning of year - As restated - see Note 18

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (1,018,217)	\$ -	\$ (1,018,217)
(3,170,582)	-	(3,170,582)
(94,654)	-	(94,654)
(1,499,914)	-	(1,499,914)
(365,369)	-	(365,369)
(108,167)	-	(108,167)
(177,606)	-	(177,606)
(6,434,509)	-	(6,434,509)
-	239,832	239,832
-	231,414	231,414
-	956,828	956,828
-	1,428,074	1,428,074
(6,434,509)	1,428,074	(5,006,435)
919,975	-	919,975
197,338	-	197,338
239,346	-	239,346
2,095,647	-	2,095,647
2,050,926	-	2,050,926
461,827	-	461,827
968,739	-	968,739
233,576	449,800	683,376
3,778	3,675	7,453
12,993	-	12,993
7,184,145	453,475	7,637,620
749,636	1,881,549	2,631,185
28,571,269	19,467,552	48,038,821
\$ 29,320,905	\$ 21,349,101	\$ 50,670,006

City of Amherst, Ohio

Balance Sheet Governmental Funds

December 31, 2006

	General	Street Improvement Income Tax	State Issue II	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,742,673	\$ 3,953,932	\$ 2,239,273	\$ 3,809,584	\$ 11,745,462
Materials and supplies inventory	115,662	-	-	41,886	157,548
Accounts receivable	38,277	-	-	61,363	99,640
Interfund receivable	100,000	599,795	-	34,900	734,695
Intergovernmental receivable	290,160	-	-	348,218	638,378
Prepaid items	49,603	-	-	16,505	66,108
Income taxes receivable	1,020,907	599,580	-	-	1,620,487
Property taxes receivable	889,904	-	-	452,752	1,342,656
Total assets	\$ 4,247,186	\$ 5,153,307	\$ 2,239,273	\$ 4,765,208	\$ 16,404,974
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 31,981	\$ 318,269	\$ 2,625	\$ 163,153	\$ 516,028
Matured compensated absences payable	-	-	-	14,688	14,688
Accrued wages and benefits payable	82,726	-	-	28,885	111,611
Interfund payable	-	-	399,795	334,900	734,695
Intergovernmental payable	154,081	-	-	27,511	181,592
Deferred revenue	2,016,397	515,024	-	731,229	3,262,650
Total liabilities	2,285,185	833,293	402,420	1,300,366	4,821,264
Fund balances:					
Reserved for encumbrances	67,437	642,893	2,008,636	624,849	3,343,815
Unreserved; undesignated, reported in:					
General fund	1,894,564	-	-	-	1,894,564
Special revenue funds	-	-	-	1,890,894	1,890,894
Debt service fund	-	-	-	511,445	511,445
Capital projects funds	-	3,677,121	(171,783)	437,654	3,942,992
Total fund balances	1,962,001	4,320,014	1,836,853	3,464,842	11,583,710
Total liabilities and fund balances	\$ 4,247,186	\$ 5,153,307	\$ 2,239,273	\$ 4,765,208	\$ 16,404,974

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

December 31, 2006

Total Governmental Fund Balances \$11,583,710

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. 20,070,592

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

Delinquent property taxes	29,516	
Municipal income taxes	1,391,926	
Intergovernmental	528,038	
Total	<u>1,949,480</u>	1,949,480

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. 42,848

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (8,820)

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

General Obligation Bonds	(3,903,525)	
OPWC loans	(249,791)	
Capital Leases	(1,717)	
Compensated Absences	(161,872)	
Total	<u>(4,316,905)</u>	(4,316,905)

Net Assets of Governmental Activities \$29,320,905

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

For the Year Ended December 31, 2006

	General	Street Improvement Income Tax	State Issue II	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 952,120	\$ -	\$ -	\$ 455,385	\$ 1,407,505
Municipal income taxes	2,023,975	2,008,833	-	-	4,032,808
Intergovernmental	381,988	-	271,694	1,118,459	1,772,141
Charges for services	95,269	-	-	126,525	221,794
Fees, licenses and permits	291,711	-	-	-	291,711
Fines and forfeitures	103,016	-	-	2,929	105,945
Investment earnings	956,790	-	-	11,949	968,739
Miscellaneous	175,339	-	-	84,338	259,677
Total revenues	4,980,208	2,008,833	271,694	1,799,585	9,060,320
Expenditures:					
Current:					
General government	1,006,084	-	-	86,607	1,092,691
Security of persons and property	3,017,708	-	-	35,468	3,053,176
Public health and welfare	81,230	-	-	127,721	208,951
Transportation	-	373,318	34,840	782,820	1,190,978
Community development	35,237	-	-	265,146	300,383
Leisure time activities	-	-	-	159,941	159,941
Capital outlay	53,204	1,813,336	769,307	934,416	3,570,263
Debt service:					
Principal retirement	2,574	37,001	-	207,984	247,559
Interest and fiscal charges	-	31,524	46,760	98,190	176,474
Total expenditures	4,196,037	2,255,179	850,907	2,698,293	10,000,416
Excess of revenues over (under) expenditures	784,171	(246,346)	(579,213)	(898,708)	(940,096)
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	-	23,772	23,772
Proceeds of general obligation bonds	-	-	1,475,000	-	1,475,000
Proceeds of OPWC loans	-	189,130	-	-	189,130
Transfers in	-	-	238,182	843,540	1,081,722
Transfers out	(842,000)	(238,182)	-	(1,540)	(1,081,722)
Total other financing sources (uses)	(842,000)	(49,052)	1,713,182	865,772	1,687,902
Net change in fund balances	(57,829)	(295,398)	1,133,969	(32,936)	747,806
Fund balance at beginning of year	2,019,830	4,615,412	702,884	3,497,778	10,835,904
Fund balance at end of year	\$ 1,962,001	\$ 4,320,014	\$ 1,836,853	\$ 3,464,842	\$ 11,583,710

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2006

Net Change in Fund Balance - Total Governmental Funds \$ 747,806

*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 capital outlays exceeded depreciation in the current period.

Capital asset additions	2,461,380	
Depreciation	(909,837)	
Total	1,551,543	1,551,543

Governmental funds report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amount of the gain (loss) on the disposal of capital assets.

Proceeds from the Sale of Capital Assets	(23,772)	
Gain on Disposal of Capital Assets	3,778	
Total	(19,994)	(19,994)

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

Delinquent property taxes	(50,846)	
Municipal income taxes	113,735	
Intergovernmental	48,625	
Total	111,514	111,514

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

244,985

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

2,574

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

(1,664,130)

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

Compensated absences	2,912	
Interest on bonds	(49,802)	
Total	(46,890)	(46,890)

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

(177,772)

Change in Net Assets of Governmental Activities

\$749,636

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

General Fund

For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 730,000	\$ 730,000	\$ 952,120	\$ 222,120
Income taxes	1,870,000	1,925,000	2,046,208	121,208
Intergovernmental	502,600	502,600	435,868	(66,732)
Charges for services	120,000	120,000	97,353	(22,647)
Fees, licenses and permits	375,000	375,000	398,973	23,973
Contributions and donations	-	-	12,993	12,993
Interest	330,000	330,000	877,438	547,438
Miscellaneous	98,627	229,539	136,814	(92,725)
Total revenues	4,026,227	4,212,139	4,957,767	745,628
Expenditures:				
Current operations and maintenance:				
General government	1,103,590	1,146,851	972,873	173,978
Security of persons and property	3,096,300	3,209,564	3,113,069	96,495
Public health and welfare	60,400	61,624	53,861	7,763
Community development	256,375	266,166	237,914	28,252
Total expenditures	4,516,665	4,684,205	4,377,717	306,488
Excess of revenues over (under) expenditures	(490,438)	(472,066)	580,050	1,052,116
Other financing sources (uses):				
Proceeds from the sale of assets	20,000	20,000	1,625	(18,375)
Transfers in	1,832,000	1,837,902	2,104,930	267,028
Advances out	(50,000)	(50,000)	-	50,000
Transfers out	(3,078,440)	(3,078,440)	(2,941,028)	137,412
Total other financing sources (uses)	(1,276,440)	(1,270,538)	(834,473)	436,065
Net change in fund balance	(1,766,878)	(1,742,604)	(254,423)	1,488,181
Fund balance at beginning of year	1,798,760	1,798,760	1,798,760	-
Prior year encumbrances appropriated	136,627	136,627	136,627	-
Fund balance at end of year	\$ 168,509	\$ 192,783	\$ 1,680,964	\$ 1,488,181

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fund Net Assets Proprietary Funds

December 31, 2006

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Assets					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,450,596	\$ 3,382,847	\$ 2,632,939	\$ 7,466,382	\$ 189,835
Restricted assets:					
Cash and Cash Equivalents with Escrow Agents	-	68,000	-	68,000	-
Accounts receivable	423,281	602,366	1,821,293	2,846,940	-
Prepaid items	4,253	9,686	8,635	22,574	-
Materials and supplies inventory	21,855	122,818	198,454	343,127	-
Total current assets	<u>1,899,985</u>	<u>4,185,717</u>	<u>4,661,321</u>	<u>10,747,023</u>	<u>189,835</u>
Noncurrent assets:					
Restricted Assets:					
Customer Deposits	59,187	22,052	101,414	182,653	-
Investment in joint venture	-	-	1,562,332	1,562,332	-
Non-depreciable capital assets	45,000	-	7,000	52,000	-
Depreciable capital assets, net	4,205,860	15,902,562	3,215,908	23,324,330	-
Total Noncurrent Assets	<u>4,310,047</u>	<u>15,924,614</u>	<u>4,886,654</u>	<u>25,121,315</u>	<u>-</u>
Total assets	<u>6,210,032</u>	<u>20,110,331</u>	<u>9,547,975</u>	<u>35,868,338</u>	<u>189,835</u>
Liabilities:					
Current liabilities:					
Accounts payable	70,311	71,801	21,034	163,146	-
Claims payable	-	-	-	-	146,987
Accrued wages and benefits payable	10,605	20,142	22,646	53,393	-
Intergovernmental payable	15,353	29,581	32,967	77,901	-
Accrued interest payable	2,854	2,324	3,013	8,191	-
Compensated absences payable	1,798	2,666	3,544	8,008	-
General obligation bonds payable	80,000	173,966	146,033	399,999	-
AMP-Ohio notes payable	-	-	90,234	90,234	-
OPWC loans payable	-	8,647	-	8,647	-
OWDA loans payable	-	314,082	-	314,082	-
Payable from restricted assets:					
Retainage	-	68,000	-	68,000	-
Customer deposits	59,187	22,052	101,414	182,653	-
Total current liabilities	<u>240,108</u>	<u>713,261</u>	<u>420,885</u>	<u>1,374,254</u>	<u>146,987</u>
Long-term liabilities (net of current portion):					
Compensated absences payable	7,162	10,617	14,112	31,891	-
OWDA loans payable	-	7,510,487	-	7,510,487	-
General obligation bonds payable	1,515,000	1,277,096	1,362,904	4,155,000	-
AMP-Ohio notes payable	-	-	1,341,766	1,341,766	-
OPWC loans payable	-	105,839	-	105,839	-
Total long-term liabilities	<u>1,522,162</u>	<u>8,904,039</u>	<u>2,718,782</u>	<u>13,144,983</u>	<u>-</u>
Total liabilities	<u>1,762,270</u>	<u>9,617,300</u>	<u>3,139,667</u>	<u>14,519,237</u>	<u>146,987</u>
Net assets:					
Invested in capital assets, net of related debt	2,655,860	6,512,445	1,713,971	10,882,276	-
Unrestricted	1,791,902	3,980,586	4,694,337	10,466,825	42,848
Total net assets	<u>\$ 4,447,762</u>	<u>\$ 10,493,031</u>	<u>\$ 6,408,308</u>	<u>\$ 21,349,101</u>	<u>\$ 42,848</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

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

For the Year Ended December 31, 2006

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Operating revenues:					
Charges for services	\$ 1,892,333	\$ 2,321,797	\$ 8,400,806	\$ 12,614,936	\$ 779,680
Other	66,892	71,393	311,515	449,800	-
Total operating revenues	<u>1,959,225</u>	<u>2,393,190</u>	<u>8,712,321</u>	<u>13,064,736</u>	<u>779,680</u>
Operating expenses:					
Personal services	371,846	677,335	809,977	1,859,158	-
Materials and supplies	175,252	180,623	444,069	799,944	-
Contract Services	890,111	288,723	5,848,094	7,026,928	220,830
Depreciation	131,791	628,693	133,463	893,947	-
Claims	-	-	-	-	736,622
Total operating expenses	<u>1,569,000</u>	<u>1,775,374</u>	<u>7,235,603</u>	<u>10,579,977</u>	<u>957,452</u>
Operating income (loss)	390,225	617,816	1,476,718	2,484,759	(177,772)
Non-operating income (expenses):					
Loss on investment in joint venture	-	-	(92,757)	(92,757)	-
Interest and fiscal charges	(83,501)	(315,009)	(115,618)	(514,128)	-
Gain on sale of capital assets	-	-	3,675	3,675	-
Total non-operating revenues (expenses)	<u>(83,501)</u>	<u>(315,009)</u>	<u>(204,700)</u>	<u>(603,210)</u>	<u>-</u>
Change in net assets	306,724	302,807	1,272,018	1,881,549	(177,772)
Net assets beginning of year - As restated - See Note 18	<u>4,141,038</u>	<u>10,190,224</u>	<u>5,136,290</u>	<u>19,467,552</u>	<u>220,620</u>
Net assets end of year	<u>\$ 4,447,762</u>	<u>\$ 10,493,031</u>	<u>\$ 6,408,308</u>	<u>\$ 21,349,101</u>	<u>\$ 42,848</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2006

	Business Type Activities				Governmental Activities- Internal Service Funds
	Water	Sewer	Electric	Total	
Increase (decrease) in cash and cash equivalents					
Cash flows from operating activities:					
Cash received from customers	\$ 1,802,831	\$ 2,323,644	\$ 8,326,391	\$ 12,452,866	\$ -
Utility deposits received	8,505	3,520	17,464	29,489	-
Cash received from transactions with other funds	-	-	-	-	779,680
Cash received from other operating sources	66,892	71,393	311,515	449,800	-
Cash payments to suppliers for goods and services	(1,066,915)	(657,570)	(6,360,005)	(8,084,490)	(220,830)
Cash payments for utility deposits returned	(7,878)	(2,782)	(14,731)	(25,391)	-
Cash payments for claims	-	-	-	-	(643,512)
Cash payments for employee services and benefits	(375,788)	(723,153)	(798,277)	(1,897,218)	-
Net cash provided by operating activities	427,647	1,015,052	1,482,357	2,925,056	(84,662)
Cash flows from capital and related financing activities:					
Debt proceeds	800,000	40,094	-	840,094	-
Proceeds from sale of capital assets	-	-	3,675	3,675	-
Capital grant	-	121,338	-	121,338	-
Acquisition of capital assets	(766,309)	(383,438)	(268,083)	(1,417,830)	-
Principal paid	(70,000)	(452,280)	(299,034)	(821,314)	-
Interest paid	(85,597)	(323,264)	(127,898)	(536,759)	-
Net cash provided by (used for) capital and related financing activities	(121,906)	(997,550)	(691,340)	(1,810,796)	-
Net increase (decrease) in cash and cash equivalents	305,741	17,502	791,017	1,114,260	(84,662)
Cash and cash equivalents, beginning of year	1,204,042	3,455,397	1,943,336	6,602,775	274,497
Cash and cash equivalents, end of year	\$ 1,509,783	\$ 3,472,899	\$ 2,734,353	\$ 7,717,035	\$ 189,835

See accompanying notes to the basic financial statements.

(Continued)

City of Amherst, Ohio

Statement of Cash Flows (continued) Proprietary Funds

For the Year Ended December 31, 2006

	Water	Sewer	Electric	Total	Governmental Activities- Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:					
Operating Income (Loss)	\$ 390,225	\$ 617,816	\$ 1,476,718	\$ 2,484,759	\$ (177,772)
Adjustments:					
Depreciation	131,791	628,693	133,463	893,947	-
(Increase)/decrease in assets:					
Accounts receivable	(89,502)	1,847	(74,415)	(162,070)	-
Prepaid items	60	(910)	(8)	(858)	-
Materials and supplies inventory	6,296	(92,288)	31,850	(54,142)	-
Increase/(decrease) in liabilities:					
Accounts payable	(7,908)	(163,026)	(36,845)	(207,779)	-
Claims payable	-	-	-	-	93,110
Customer deposits	627	738	2,733	4,098	-
Contracts payable - operating	-	-	(62,839)	(62,839)	-
Retainage payable	-	68,000	-	68,000	-
Accrued wages and benefits	833	(258)	1,061	1,636	-
Intergovernmental payable	(5,457)	(37,974)	10,790	(32,641)	-
Compensated absences payable	682	(7,586)	(151)	(7,055)	-
Net cash provided by operating activities	<u>\$ 427,647</u>	<u>\$ 1,015,052</u>	<u>\$ 1,482,357</u>	<u>\$ 2,925,056</u>	<u>\$ (84,662)</u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2006

	Private Purpose Trust	
	Cemetery	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 4,130	\$ 25,905
Cash and cash equivalents in segregated accounts	-	2,489
Total Assets	<u>4,130</u>	<u>\$ 28,394</u>
Liabilities:		
Undistributed monies	-	3,020
Deposits held and due to others	-	\$ 25,374
Total liabilities	<u>-</u>	<u>\$ 28,394</u>
Net assets:		
Held in trust for cemetery	<u>\$ 4,130</u>	

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Statement of Changes in Fiduciary Net Assets Fiduciary Fund

For the Year Ended December 31, 2006

	Private Purpose Trust <u>Cemetery</u>
Additions:	
Interest	\$ 177
Deduction	<u>108</u>
Change in net assets	69
Net assets beginning of year	<u>4,061</u>
Net assets end of year	<u><u>\$ 4,130</u></u>

See accompanying notes to the basic financial statements.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 1: The Reporting Entity

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

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

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

The City is associated with the Lorain County General Health District, a jointly governed organization, and the Sandstone Joint Ambulance District and the Ohio Municipal Electric Generation Agency (JV2) joint ventures. These organizations are discussed in Notes 14 and 15 of the basic financial statements.

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

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

Street 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.

Issue II Improvement Capital Projects Fund

This fund is used to account for issue II monies for various projects.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

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

Proprietary Funds

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

Enterprise Funds

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

Water Fund

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

Sewer Fund

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

Electric Fund

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

Internal Service Funds

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

Fiduciary Funds

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements,

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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

F. Cash and Cash Equivalents

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

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

During 2006, 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, 2006.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2006 amounted to \$956,790 and \$11,949 in nonmajor governmental funds.

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

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, 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.

The City maintains contractor retainages in various bank accounts and these amounts are reported as "Cash and Cash Equivalents with Escrow Agents" on the financial statements.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

J. Capital Assets

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

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, 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, several grants and city planning.

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

Of the City's \$8,649,725 restricted net assets, \$4,362,107 are restricted for enabling legislation.

P. Operating Revenues and Expenses

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

Q. Interfund Activity

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (Continued)

Q. Interfund Activity (Continued)

funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers within governmental activities are eliminated on the Statement of Activities.

R. Estimates

The preparation of the financial statements in conformity with 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 Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 3: Budgetary Basis of Accounting (Continued)

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$ (57,829)
Net adjustment for revenue accruals	2,053,089
Net adjustment for expenditures	(2,187,981)
Encumbrances	<u>(92,727)</u>
Budget Basis	<u><u>\$ (285,448)</u></u>

Note 4: Deposits and Investments

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

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

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

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

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 4: Deposits and Investments (Continued)

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

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

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

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 4: Deposits and Investments (Continued)

Deposits

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

The City's bank balance of \$4,652,712 is either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner as described above.

Investments

As of December 31, 2006, the City had the following investments and maturities:

	<u>Carrying/Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAR Ohio	\$ 3,839,594	< 1 year
Federal Home Loan Bank Notes	7,652,683	More than 1 year
Federal Home Loan Bank Notes	2,475,425	< 1 year
Federal Home Loan Mortgage Corporation Notes	490,555	More than 1 year
Federal National Mortgage Association Notes	742,018	More than 1 year
Total Investments	<u>\$ 15,200,275</u>	

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

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

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The City's investment policy allows investments in those authorized under the Ohio Revised Code. The City has invested 25% in STAROhio, 5% in Federal National Mortgage Association, 3% in Federal Home Loan Mortgage Corporation, and 67% in Federal Home Loan Bank.

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 5: Receivables

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property 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 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. 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, 2006, was \$5.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 283,601,130
Public Utility	3,363,860
Tangible Personal	10,265,265
	<u>\$ 297,230,255</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.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 5: Receivables (Continued)

A. Property Tax (Continued)

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Amherst. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 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 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue, while the remainder of the receivable is unearned.

B. Income Tax

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

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 195,553
Inheritance estate tax	18,118
Homestead and rollback	140,550
Liquor and beer permits	4,047
Other grants	2,198
Motor Vehicle and Gas Excise Tax	273,412
Permissive Tax	4,500
	<u><u>\$ 638,378</u></u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 6: Interfund Transfers and Balances

A. Interfund transfers for the year ended December 31, 2006 consisted of the following:

<u>Fund Type</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ -	\$ 842,000
Street Improvement Income Tax	-	238,182
State Issue II	238,182	-
Other Non-major Governmental Funds:		
Street Maintenance Repair	550,000	-
Office on Aging	92,000	-
Fire Apparatus Levy	-	1,540
Assistance to Firefighters	1,540	-
Debt Service	200,000	-
Total Other Non-major Governmental Funds	<u>843,540</u>	<u>1,540</u>
Total All Funds	<u>\$ 1,081,722</u>	<u>\$ 1,081,722</u>

The General Fund transfers to the Non-major governmental funds were made to provide additional resources for current operations, and to meet matching fund requirements for some grants. The Street Improvement transfer to the State Issue II Fund was made to provide additional resources for current street projects. The transfer from the Fire Apparatus Levy nonmajor special revenue fund to the Assistance to Firefighters nonmajor special revenue fund was made to meet matching fund requirements. All transfers were made in accordance with the Ohio Revised Code.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 6: Interfund Transfers and Balances (Continued)

B. As of December 31, 2006, interfund balances were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 100,000	\$ -
Street Improvement Income Tax	599,795	-
State Issue II	-	399,795
Nonmajor Capital Projects Funds:		
CDBG Renovation	-	34,900
Total Nonmajor Capital Projects Funds	-	34,900
Nonmajor Special Revenue Funds:		
Park Trust	34,900	-
CDBG Downtown	-	300,000
Total Nonmajor Special Revenue Funds	34,900	300,000
Total All Funds	<u>\$ 734,695</u>	<u>\$ 734,695</u>

Interfund receivable/payable balances at December 31, 2006, consisted of an advance from the Street Improvement Income Tax fund to the State Issue II Major Capital Projects fund and to the CDBG Downtown Nonmajor Special Revenue fund and an advance to the CDBG Renovation Nonmajor Capital Projects fund from the Park Trust Nonmajor Special Revenue fund to provide additional resources for current projects. The State Issue II Major Capital Projects fund repaid \$272,000 to the Street Improvement Income Tax fund during 2006.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 7: Capital Assets

	Balance 12/31/05	Additions	Deletions	Balance 12/31/06
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,289,984	\$ -	\$ -	\$ 1,289,984
Construction In Progress	-	106,598	-	106,598
Total Capital assets, not being depreciated	<u>1,289,984</u>	<u>106,598</u>	<u>-</u>	<u>1,396,582</u>
Capital assets, being depreciated:				
Buildings	4,430,808		-	4,430,808
Improvements other than buildings	1,129,742		-	1,129,742
Machinery and equipment	2,366,488	163,384	(5,161)	2,524,711
Vehicles	2,018,665	468,387	(256,784)	2,230,268
Infrastructure:				
Roads	<u>15,461,165</u>	<u>1,723,011</u>	<u>-</u>	<u>17,184,176</u>
Total capital assets, being depreciated	<u>25,406,868</u>	<u>2,354,782</u>	<u>(261,945)</u>	<u>27,499,705</u>
Less accumulated depreciation:				
Buildings	(1,366,852)	(112,352)	-	(1,479,204)
Improvements other than buildings	(331,024)	(53,445)	-	(384,469)
Machinery and equipment	(1,065,614)	(166,957)	3,613	(1,228,958)
Vehicles	(1,347,771)	(146,270)	238,338	(1,255,703)
Infrastructure:				
Roads	<u>(4,046,548)</u>	<u>(430,813)</u>	<u>-</u>	<u>(4,477,361)</u>
Total accumulated depreciation	<u>(8,157,809)</u>	<u>(909,837)</u>	<u>241,951</u>	<u>(8,825,695)</u>
Total capital assets, being depreciated, net	<u>17,249,059</u>	<u>1,444,945</u>	<u>(19,994)</u>	<u>18,674,010</u>
Total governmental capital assets, net	<u>\$ 18,539,043</u>	<u>\$ 1,551,543</u>	<u>\$ (19,994)</u>	<u>\$ 20,070,592</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 7: Capital Assets (Continued)

	Balance 12/31/05*	Additions	Deletions	Balance 12/31/06
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 52,000	\$ -	\$ -	\$ 52,000
Total capital assets, not being depreciated	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>52,000</u>
Capital assets, being depreciated:				
Buildings	6,389,243	446,906		6,836,149
Improvements other than buildings	3,317,530	24,494	-	3,342,024
Machinery and equipment	8,791,450	386,282		9,177,732
Vehicles	557,628	17,000	(13,147)	561,481
Infrastructure:				
Water lines	3,793,515	155,096	-	3,948,611
Sewer lines	7,341,800	18,271	-	7,360,071
Electric lines	1,874,241	233,389	-	2,107,630
Total capital assets, being depreciated	<u>32,065,407</u>	<u>1,281,438</u>	<u>(13,147)</u>	<u>33,333,698</u>
Less accumulated depreciation:				
Buildings	(1,161,192)	(130,270)	-	(1,291,462)
Improvements other than buildings	(175,495)	(167,000)	-	(342,495)
Machinery and equipment	(2,362,483)	(334,464)	-	(2,696,947)
Vehicles	(483,744)	(23,483)	13,147	(494,080)
Infrastructure:				
Water lines	(1,635,721)	(60,218)	-	(1,695,939)
Sewer lines	(2,768,248)	(144,897)	-	(2,913,145)
Electric lines	(541,685)	(33,615)	-	(575,300)
Total accumulated depreciation	<u>(9,128,568)</u>	<u>(893,947)</u>	<u>13,147</u>	<u>(10,009,368)</u>
Total capital assets, being depreciated, net	<u>22,936,839</u>	<u>387,491</u>	<u>-</u>	<u>23,324,330</u>
Total business-type capital assets, net	<u>\$ 22,988,839</u>	<u>\$ 387,491</u>	<u>\$ -</u>	<u>\$ 23,376,330</u>

* Certain reclassifications were made to the beginning capital assets and related accumulated depreciation to reflect the proper asset category.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 7: Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 77,722
Security of persons and property	310,547
Public health and welfare	4,114
Transportation	502,486
Leisure time activities	14,968
Total depreciation expense	<u>\$ 909,837</u>

Note 8: Pension Plans

A. Ohio Public Employees Retirement System

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the traditional pension plan. City employees are required to contribute 9.0% of their annual covered salary to fund pension obligations and the City is required to contribute 13.70%. The City's contributions to OPERS for the years ending December 31, 2006, 2005, and 2004 were \$421,691, \$404,378, and \$375,965 respectively. The full amount has been contributed for 2005 and 2004. 75 percent has been contributed

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 8: Pension Plans (Continued)

for 2006, with the remainder being presented as “intergovernmental payable” in the governmental funds and governmental activities.

B. Ohio Police and Fire Pension Fund

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

Police are required to contribute 10.0% of their annual covered salary and the city is required to contribute 19.5% for police. The City’s contributions to OP&F for the years ended December 31, 2006, 2005, and 2004 were \$234,913, \$232,932, and \$159,351, respectively. The full amount has been contributed for 2005 and 2004. 73 percent has been contributed for 2006 with the remainder being presented as “intergovernmental payable” in the governmental funds and governmental activities.

C. Social Security System

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

Note 9: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit enrolled in the Traditional or Combined Plans. Members of the Member-Defined Plan do not qualify for ancillary benefits, including post-employment health care coverage. Health care coverage for disability benefit and qualified survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB No. 12. A portion of each employer’s contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 employer contribution rate was 13.70% of covered payroll; of which 4.5% was used to fund health care for 2006.

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, 2005, include a rate of return on investments of 6.5%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of .50% to 6.3% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4% annually.

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 9: Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

The traditional pension and combined plans had 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005 (the latest information available) actuarial valuation was 358,804. The City's actual contributions for 2006 which were used to fund postemployment benefits were \$124,483. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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

B. Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2006 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$93,260 for police. The OP&F's total health care expenses for the year ended December 31, 2005 (the latest information available) were \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, (the latest information available) was 13,922 for police and 10,537 for firefighters.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 10: Compensated Absences

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

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

Note 11: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2006, 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	\$37,938,227
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
Public officials liability	Arrowhead Public Risk	\$1 million/\$1 million
Umbrella liability	Arrowhead Public Risk	\$8 million
Law Enforcement	Arrowhead Public Risk	\$1 million

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

B. Workers' Compensation

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

C. Medical

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

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 11: Risk Management (Continued)

C. Medical (Continued)

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

The claims liability of \$146,987 reported in the self-insurance fund at December 31, 2006, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2004	\$ 62,963	\$ 280,779	\$ 302,401	\$ 41,341
2005	41,341	412,536	400,000	53,877
2006	53,877	736,622	643,512	146,987

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 12: Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds				
Various Purpose	2006	3.50-4.10%	\$ 2,275,000	12/1/25
Police and Jail facility	2003	2.00-4.25%	2,195,000	12/1/18
Capital purpose	1998	3.50-4.55%	545,000	12/1/18
Real estate acquisition bonds	2003	2.50-4.625%	295,000	12/1/13
Water capital purpose bonds	1999	4.55%	1,165,000	12/1/18
Sewer refunding bonds	2003	2.00-5.75%	1,258,615	12/1/12
Sewer capital purpose bonds	1999	4.55%	835,000	12/1/18
Electric refunding bonds	2003	2.00-5.75%	761,385	12/1/12
Electric capital purpose bonds	1999	4.55%	1,455,000	12/1/18
Notes				
AMP-Ohio Electric System improvement notes	2000	2.35	2,200,000	12/31/20
OPWC Loans				
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
North Lake Street	2006	0.00	53,283	1/1/26
Park Avenue Reconstruction	2006	0.00	135,847	7/1/26
Henry & Tenney	2006	0.00	40,094	7/1/25
OWDA Loans				
	2004	3.65	9,599,158	7/1/24

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 12: Long-Term Obligations (Continued)

A schedule of changes in bonds and other long-term obligations of the City during 2006 follows:

	Amount Outstanding 12/31/2005	Additions	Reductions	Amount Outstanding 12/31/2006	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Police and Jail Facility	\$ 1,975,759	\$ 47,766	\$ 145,000	\$ 1,878,525	\$ 145,000
Capital Purpose	400,000	-	25,000	375,000	25,000
Real Estate Acquisition Bonds	240,000	-	30,000	210,000	30,000
Various Purpose	-	1,475,000	35,000	1,440,000	55,000
Total General Obligation Bonds	<u>2,615,759</u>	<u>1,522,766</u>	<u>235,000</u>	<u>3,903,525</u>	<u>255,000</u>
OPWC loans	70,646	189,130	9,985	249,791	13,381
Capital Lease	4,291	-	2,574	1,717	1,717
Compensated Absences	164,784	161,872	164,784	161,872	44,196
Total Governmental Activities	<u>\$ 2,855,480</u>	<u>\$ 1,873,768</u>	<u>\$ 412,343</u>	<u>\$ 4,316,905</u>	<u>\$ 314,294</u>
Business-Type Activities:					
General Obligation Bonds:					
Water Capital Purpose Bonds	\$ 865,000	\$ -	\$ 50,000	\$ 815,000	\$ 50,000
Water Various Purpose Bonds	-	800,000	20,000	780,000	30,000
Sewer Refunding Bonds	1,000,029	-	133,967	866,062	133,966
Sewer Capital Purpose Bonds	620,000	-	35,000	585,000	40,000
Electric Refunding Bonds	604,971	-	81,034	523,937	81,033
Electric Capital Purpose Bonds	1,050,000	-	65,000	985,000	65,000
Total General Obligation Bonds	<u>4,140,000</u>	<u>800,000</u>	<u>385,001</u>	<u>4,554,999</u>	<u>399,999</u>
AMP-Ohio Electric Systems Improvement	1,585,000	-	153,000	1,432,000	90,234
OPWC loans	83,039	40,094	8,647	114,486	8,647
OWDA - WWTP Upgrade	8,099,235	-	274,666	7,824,569	314,082
Compensated Absences	46,954	39,899	46,954	39,899	8,008
Total Business-Type Activities	<u>\$ 13,954,228</u>	<u>\$ 879,993</u>	<u>\$ 868,268</u>	<u>\$ 13,965,953</u>	<u>\$ 820,970</u>

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

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

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.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 12: Long-Term Obligations (Continued)

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

The City's overall legal debt margin was \$8,979,311 at December 31, 2006. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

	Governmental Activities			Totals	
	General Obligation Bonds		OPWC	Principal	Interest
	Principal	Interest	Loans		
2007	\$ 255,000	\$ 140,430	\$ 13,381	\$ 268,381	\$ 140,430
2008	260,000	133,181	13,381	273,381	133,181
2009	265,000	125,342	13,381	278,381	125,342
2010	270,000	116,905	13,381	283,381	116,905
2011	280,000	107,663	13,381	293,381	107,663
2012-2016	1,445,000	661,686	66,905	1,511,905	661,686
2017-2021	880,000	161,335	66,907	946,907	161,335
2022-2026	395,000	40,920	49,074	444,074	40,920
Totals	<u>\$ 4,050,000</u>	<u>\$ 1,487,462</u>	<u>\$ 249,791</u>	<u>\$ 4,299,791</u>	<u>\$ 1,487,462</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 includes the Capital Appreciation Bonds that will be due in 2013 and 2014 in the amount of \$255,000. Capital Appreciation Bonds were accreted in the amount of \$47,766 for fiscal year 2006.

	Business-Type Activities								
	General Obligation Bonds		Notes		OWDA Loans		OPWC	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Loans	Principal	Interest
2006	\$ 399,999	\$ 162,520	\$ 90,234	\$ 11,456	\$ 314,082	\$ 282,757	\$ 8,647	\$ 812,962	\$ 456,733
2007	420,000	178,596	90,956	10,734	325,650	271,188	8,647	845,253	460,518
2008	420,000	162,823	91,684	10,006	337,645	259,193	8,647	857,976	432,022
2009	440,000	146,418	92,417	9,273	350,081	246,757	8,647	891,145	402,448
2010	460,000	128,553	93,156	8,534	362,976	233,862	8,648	924,780	370,949
2011-2015	1,490,000	383,855	477,081	31,369	2,025,548	958,644	43,239	4,035,868	1,373,868
2016-2020	710,000	104,691	496,472	11,979	2,427,095	557,097	19,999	3,653,566	673,767
2021-2025	215,000	22,185	-	-	1,681,492	109,024	8,012	1,904,504	131,209
Totals	<u>\$ 4,554,999</u>	<u>\$ 1,289,641</u>	<u>\$ 1,432,000</u>	<u>\$ 93,351</u>	<u>\$ 7,824,569</u>	<u>\$ 2,918,522</u>	<u>\$ 114,486</u>	<u>\$ 13,926,054</u>	<u>\$ 4,301,514</u>

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 13: Capital Leases

The City has an existing lease for a Ford Focus. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." The equipment acquired has been capitalized in the Governmental Activities in the amount of \$18,350.

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

December 31, 2006	Governmental Activities
2007	\$ 1,717
Total minimum lease payments	1,717
Less: amount representing interest	-
Present value of minimum lease payments	<u>\$ 1,717</u>

Capital lease payments have been reclassified and reflected as debt service in the fund financial statement for the General Fund. The capital lease related to the Sewer Enterprise Fund was paid off during 2006.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 14: Jointly Governed Organizations

Lorain County General Health District

The Lorain County General Health District provides health services to the citizens within the Health District. The Health District is governed by the Board of Health which represents the area served by the Health District and oversees the operation of the Health District. The Board of Health members are appointed to staggered four-year terms. One member is appointed by the City of North Ridgeville, one member is jointly appointed by the Cities of Amherst and Oberlin, and one member is elected jointly by the Cities of Avon and Sheffield Lake. The remaining four members are appointed by the various mayors of villages, chairmen of the township trustees and the County Commissioners. The City contributed \$40,251 during 2006 for the operation of the Health District. Complete financial statements can be obtained from the Lorain County General Health District, 9880 South Murray Ridge Road, Elyria, Ohio 44035.

Note 15: Joint Ventures

A. Sandstone Joint Ambulance District

The City is a participant in a joint venture agreement with Amherst Township for the operation of the Sandstone Joint Ambulance District (Ambulance District) as provided in the Ohio Revised Code. The City and the Township each appoint two members of the five-member Board of Trustees which oversees the operations. The fifth member of the Board is appointed by Amherst Hospital. The Sandstone Joint Ambulance District has contracted with North Central Emergency Medical Service to provide ambulance services. Continued existence of the Ambulance District is dependent on the City's continued participation; however, the City does not have an equity interest in the Ambulance District. The Ambulance District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City did not make a contribution during 2006. The Township contributed 30 percent of the required funds. The City's contribution is, when made, recorded in the General Fund. Complete financial statements can be obtained from the Sandstone Joint Ambulance District, Amherst, Ohio.

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

The City is a participant with 36 subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$80,788 to the joint venture for 2006. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire capital assets for JV2. Under a financing agreement between many of the participants of JV2 and AMP-Ohio, these participants have agreed to pay the debt service requirements of the bonds. The City issued their own bonds to pay

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 15: Joint Ventures (Continued)

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

their share of the project costs. Payments are to be made solely from the resources of the City's electric enterprise fund. At December 31, 2006, the City's liability on these bonds was \$1,432,000 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 \$1,562,332 at December 31, 2006. Financial information can be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

Note 16: Contingencies

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2006.

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, 2006.

Note 17: Accountability and Compliance

A. Accountability

The City had no deficit fund balances as of December 31, 2006.

City of Amherst, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 18: Change in Accounting Principles and Restatement of Prior Year Net Assets

For the fiscal year 2006, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*. GASB Statement No. 44 amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. GASB Statement No. 46 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. GASB Statement No. 47 establishes accounting standards for termination benefits. The application of these new standards did not have a material effect on the financial statements, nor did their implementation require a restatement of prior year balances.

Restatement of Net Assets: The City had changes in previously reported contracts payable and intergovernmental receivable due to accounting errors. These changes had the following affect on beginning net asset balances:

	Sewer	Total Business - Type Activities
Net Assets as of December 31, 2005	\$ 9,806,668	\$ 19,083,996
Contracts Payable	398,610	398,610
Intergovernmental Receivable	(15,054)	(15,054)
Net Assets as of January 1, 2006	<u>\$ 10,190,224</u>	<u>\$ 19,467,552</u>

**Combining Statements and
Individual Fund Schedules**

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City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Street Construction Maintenance and Repair Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees, which are to be used for maintenance of streets within the City.

State Highway Fund

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

Street Maintenance and Repair Permissive Fund

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

Park and Pool Fund

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

Office on Aging Fund

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

Planning Commission Fund

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

Park Trust Fund

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

Assistance to Firefighters Fund

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

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 and Equipment Fund

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

Cable Television Fund

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

Sobriety Checkpoint Fund

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

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 received to provide drug abuse resistance educational services to youth.

COPS Grant Fund

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

Bullet Proof Vest Fund

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

Disabled Parking

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

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.

Recycling Fund

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

CDBG Downtown Fund

To account for Federal grant monies designated for downtown restoration.

City of Amherst, Ohio

Combining Statements Nonmajor Governmental Funds

(Continued)

Nonmajor Special Revenue Funds (Continued)

Housing Program Fund

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.

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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,738,497	\$ 511,445	\$ 559,642	\$ 3,809,584
Materials and supplies inventory	41,886	-	-	41,886
Accounts receivable	61,363	-	-	61,363
Interfund Receivable	34,900	-	-	34,900
Intergovernmental receivable	298,227	22,640	27,351	348,218
Prepaid items	16,505	-	-	16,505
Property taxes receivable	-	203,273	249,479	452,752
Total assets	\$ 3,191,378	\$ 737,358	\$ 836,472	\$ 4,765,208
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 152,643	\$ -	10,510	\$ 163,153
Accrued wages and benefits payable	28,885	-	-	28,885
Interfund payable	300,000	-	34,900	334,900
Intergovernmental payable	27,511	-	-	27,511
Matured compensated absences payable	14,688	-	-	14,688
Deferred revenue	228,486	225,913	276,830	731,229
Total liabilities	752,213	225,913	322,240	1,300,366
Fund balances:				
Reserved for encumbrances	548,271	-	76,578	624,849
Unreserved; undesignated, reported in:				
Special revenue funds	1,890,894	-	-	1,890,894
Debt service fund	-	511,445	-	511,445
Capital projects funds	-	-	437,654	437,654
Total fund balances	2,439,165	511,445	514,232	3,464,842
Total liabilities and fund balances	\$ 3,191,378	\$ 737,358	\$ 836,472	\$ 4,765,208

City of Amherst, Ohio

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

For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 205,374	\$ 250,011	\$ 455,385
Intergovernmental	1,068,468	22,640	27,351	1,118,459
Charges for services	126,525	-	-	126,525
Fines and forfeitures	2,929	-	-	2,929
Investment earnings	2,685	-	9,264	11,949
Miscellaneous	79,479	2,894	1,965	84,338
Total revenues	1,280,086	230,908	288,591	1,799,585
Expenditures:				
Current:				
General government	50,010	5,665	30,932	86,607
Security of persons and property	35,468	-	-	35,468
Public health and welfare	127,721	-	-	127,721
Transportation	782,820	-	-	782,820
Community development	265,146	-	-	265,146
Leisure time activities	159,941	-	-	159,941
Capital outlay	439,930	-	494,486	934,416
Debt service:				
Principal retirement	7,984	200,000	-	207,984
Interest and fiscal charges	9,315	88,875	-	98,190
Total expenditures	1,878,335	294,540	525,418	2,698,293
Excess of revenues over (under) expenditures	(598,249)	(63,632)	(236,827)	(898,708)
Other financing sources (uses):				
Transfers in	643,540	200,000	-	843,540
Proceeds from Sale of Capital Assets	23,772	-	-	23,772
Transfers out	-	-	(1,540)	(1,540)
Total other financing sources (uses)	667,312	200,000	(1,540)	865,772
Net change in fund balances	69,063	136,368	(238,367)	(32,936)
Fund balances at beginning of year	2,370,102	375,077	752,599	3,497,778
Fund balances at end of year	\$ 2,439,165	\$ 511,445	\$ 514,232	\$ 3,464,842

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds

December 31, 2006

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging
Assets:					
Equity in pooled cash and cash equivalents	\$ 699,826	\$ 21,386	\$ 335,803	\$ 68,177	\$ 47,212
Materials and supplies inventory	41,886	-	-	-	-
Accounts receivable	-	-	-	12,910	-
Interfund receivable	-	-	-	-	-
Intergovernmental receivable	252,906	20,506	4,500	8,880	-
Prepaid items	12,964	-	-	2,244	798
Total assets	<u>\$ 1,007,582</u>	<u>\$ 41,892</u>	<u>\$ 340,303</u>	<u>\$ 92,211</u>	<u>\$ 48,010</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 14,346	\$ 46	\$ -	\$ 573	\$ 2,581
Accrued wages and benefits payable	25,420	-	-	876	2,589
Interfund payable	-	-	-	-	-
Intergovernmental payable	20,787	-	-	2,863	3,861
Matured compensated absences payable	14,688	-	-	-	-
Deferred revenue	211,349	17,137	-	-	-
Total liabilities	<u>286,590</u>	<u>17,183</u>	<u>-</u>	<u>4,312</u>	<u>9,031</u>
Fund balances:					
Reserved for encumbrances	87,357	1,076	216,675	1,089	43
Unreserved; undesignated (deficit)	<u>633,635</u>	<u>23,633</u>	<u>123,628</u>	<u>86,810</u>	<u>38,936</u>
Total fund balances (deficit)	<u>720,992</u>	<u>24,709</u>	<u>340,303</u>	<u>87,899</u>	<u>38,979</u>
Total liabilities and fund balances	<u>\$ 1,007,582</u>	<u>\$ 41,892</u>	<u>\$ 340,303</u>	<u>\$ 92,211</u>	<u>\$ 48,010</u>

Planning Commission	Park Trust	Assistance to Firefighters	Fire Act Grant	EMS Training & Equipment	Cable Television	Sobriety Checkpoint	R U Ok Grant
\$ 518,210	\$ 85,852	\$ 2	\$ -	\$ 2,974	\$ 411,235	\$ 294	\$ -
-	-	-	-	-	-	-	-
-	34,900	-	-	-	48,298	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	499	-	-
<u>\$ 518,210</u>	<u>\$ 120,752</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,974</u>	<u>\$ 460,032</u>	<u>\$ 294</u>	<u>\$ -</u>
\$ 117,458	\$ -	\$ -	\$ -	\$ -	\$ 1,678	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>117,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,678</u>	<u>-</u>	<u>-</u>
212,681	1,990	-	-	-	21,078	295	-
188,071	118,762	2	-	2,974	437,276	(1)	-
<u>400,752</u>	<u>120,752</u>	<u>2</u>	<u>-</u>	<u>2,974</u>	<u>458,354</u>	<u>294</u>	<u>-</u>
<u>\$ 518,210</u>	<u>\$ 120,752</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,974</u>	<u>\$ 460,032</u>	<u>\$ 294</u>	<u>\$ -</u>

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued)

December 31, 2006

	Law Enforcement	Drug Law Enforcement	DUI Enforcement	DARE Grant	COPS Grant	Bullet Proof Vest	Disabled Parking
Assets:							
Equity in pooled cash and cash equivalents	\$ 24,395	\$ 375	\$ 6,527	\$ 1,503	\$ -	\$ 1,006	\$ 250
Materials and supplies inventory	-	-	-	-	-	-	-
Accounts receivable	-	-	155	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 24,395</u>	<u>\$ 375</u>	<u>\$ 6,682</u>	<u>\$ 1,503</u>	<u>\$ -</u>	<u>\$ 1,006</u>	<u>\$ 250</u>
Liabilities and fund balances:							
Liabilities:							
Accounts payable	\$ 1,395	\$ -	\$ 467	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Matured compensated absences payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>1,395</u>	<u>-</u>	<u>467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Reserved for encumbrances	1,515	3,132	1,036	-	-	-	250
Unreserved; undesignated (deficit)	<u>21,485</u>	<u>(2,757)</u>	<u>5,179</u>	<u>1,503</u>	<u>-</u>	<u>1,006</u>	<u>-</u>
Total fund balances (deficit)	<u>23,000</u>	<u>375</u>	<u>6,215</u>	<u>1,503</u>	<u>-</u>	<u>1,006</u>	<u>250</u>
Total liabilities and fund balances	<u>\$ 24,395</u>	<u>\$ 375</u>	<u>\$ 6,682</u>	<u>\$ 1,503</u>	<u>\$ -</u>	<u>\$ 1,006</u>	<u>\$ 250</u>

Local Law Enforcement	Traffic Safety Grant	Recycling	CDBG Downtown	Housing Program	Total Nonmajor Special Revenue Funds
\$ 54	\$ 1,039	\$ -	\$ 482,829	\$ 29,548	\$ 2,738,497
-	-	-	-	-	41,886
-	-	-	-	-	61,363
-	-	-	-	-	34,900
-	-	-	11,435	-	298,227
-	-	-	-	-	16,505
<u>\$ 54</u>	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ 494,264</u>	<u>\$ 29,548</u>	<u>3,191,378</u>
\$ -	\$ -	\$ -	\$ 14,099	\$ -	152,643
-	-	-	-	-	28,885
-	-	-	300,000	-	300,000
-	-	-	-	-	27,511
-	-	-	-	-	14,688
-	-	-	-	-	228,486
<u>-</u>	<u>-</u>	<u>-</u>	<u>314,099</u>	<u>-</u>	<u>752,213</u>
54	-	-	-	-	548,271
-	1,039	-	180,165	29,548	1,890,894
<u>54</u>	<u>1,039</u>	<u>-</u>	<u>180,165</u>	<u>29,548</u>	<u>2,439,165</u>
<u>\$ 54</u>	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ 494,264</u>	<u>\$ 29,548</u>	<u>\$ 3,191,378</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, 2006

	Street Maintenance Repair	State Highway	Street Maintenance and Repair Permissive	Park and Pool	Office on Aging
Revenues:					
Intergovernmental	\$ 509,401	\$ 41,300	\$ 62,867	\$ 43,027	\$ 19,098
Charges for services	-	-	-	66,461	30,064
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	1,380
Miscellaneous	5,789	-	-	28,927	3,168
Total revenues	515,190	41,300	62,867	138,415	53,710
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	127,721
Transportation	733,536	49,284	-	-	-
Community development	-	-	-	-	-
Leisure time activities	-	-	-	149,291	-
Capital outlay	2,100	-	23,753	6,373	-
Debt Service:					
Principal retirements	-	-	7,984	-	-
Interest and fiscal charges	-	-	9,315	-	-
Total expenditures	735,636	49,284	41,052	155,664	127,721
Excess of revenues over (under) expenditures	(220,446)	(7,984)	21,815	(17,249)	(74,011)
Other financing sources (uses):					
Transfers in	550,000	-	-	-	92,000
Proceeds from Sale of Capital Assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	550,000	-	-	-	92,000
Net change in fund balances	329,554	(7,984)	21,815	(17,249)	17,989
Fund balances at beginning of year	391,438	32,693	318,488	105,148	20,990
Fund balances at end of year	\$ 720,992	\$ 24,709	\$ 340,303	\$ 87,899	\$ 38,979

Planning Commission	Park Trust	Assistance to Firefighters	Fire Act Grant	EMS Training & Equipment	Cable Television	Sobriety Checkpoint	R U Ok Grant
\$ -	\$ -	\$ 18,314	\$ -	\$ 1,000	\$ 150,795	\$ -	\$ -
30,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	55	-	-	-	-	-	-
-	25,540	-	-	-	-	-	-
30,000	25,595	18,314	-	1,000	150,795	-	-
-	-	-	-	-	50,010	-	-
-	-	19,852	6,382	2,651	-	2,125	191
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
227,229	-	-	-	-	-	-	-
-	10,650	-	-	-	-	-	-
99,058	72,020	-	-	-	82	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
326,287	82,670	19,852	6,382	2,651	50,092	2,125	191
(296,287)	(57,075)	(1,538)	(6,382)	(1,651)	100,703	(2,125)	(191)
-	-	1,540	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,540	-	-	-	-	-
(296,287)	(57,075)	2	(6,382)	(1,651)	100,703	(2,125)	(191)
697,039	177,827	-	6,382	4,625	357,651	2,419	191
\$ 400,752	\$ 120,752	\$ 2	\$ -	\$ 2,974	\$ 458,354	\$ 294	\$ -

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, 2006

	Law Enforcement	Drug Law Enforcement	DUI Enforcement	DARE Grant	COPS Grant
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	2,929	-	-
Investment earnings	-	-	-	-	-
Miscellaneous	16,055	-	-	-	-
Total revenues	16,055	-	2,929	-	-
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	467	-	3,800
Public health and welfare	-	-	-	-	-
Transportation	-	-	-	-	-
Community development	-	-	-	-	-
Leisure time activities	-	-	-	-	-
Capital outlay	34,486	-	2,362	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	34,486	-	2,829	-	3,800
Excess of revenues over (under) expenditures	(18,431)	-	100	-	(3,800)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Proceeds from Sale of Capital Assets	23,772	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	23,772	-	-	-	-
Net change in fund balances	5,341	-	100	-	(3,800)
Fund balances at beginning of year	17,659	375	6,115	1,503	3,800
Fund balances at end of year	\$ 23,000	\$ 375	\$ 6,215	\$ 1,503	\$ -

Bullet Proof Vest	Disabled Parking	Local Law Enforcement	Traffic Safety Grant	Recycling	CDBG Downtown	Housing Program	Total Nonmajor Special Revenue Funds
\$ 263	\$ -	\$ -	\$ -	\$ 64,606	\$ 157,797	\$ -	\$ 1,068,468
-	-	-	-	-	-	-	126,525
-	-	-	-	-	-	-	2,929
-	-	-	-	-	-	1,250	2,685
-	-	-	-	-	-	-	79,479
<u>263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,606</u>	<u>157,797</u>	<u>1,250</u>	<u>1,280,086</u>
-	-	-	-	-	-	-	50,010
-	-	-	-	-	-	-	35,468
-	-	-	-	-	-	-	127,721
-	-	-	-	-	-	-	782,820
-	-	-	-	-	37,917	-	265,146
-	-	-	-	-	-	-	159,941
-	-	400	-	68,001	131,295	-	439,930
-	-	-	-	-	-	-	7,984
-	-	-	-	-	-	-	9,315
-	-	400	-	68,001	169,212	-	1,878,335
<u>263</u>	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>(3,395)</u>	<u>(11,415)</u>	<u>1,250</u>	<u>(598,249)</u>
-	-	-	-	-	-	-	643,540
-	-	-	-	-	-	-	23,772
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	667,312
<u>263</u>	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>(3,395)</u>	<u>(11,415)</u>	<u>1,250</u>	<u>69,063</u>
<u>743</u>	<u>250</u>	<u>454</u>	<u>1,039</u>	<u>3,395</u>	<u>191,580</u>	<u>28,298</u>	<u>2,370,102</u>
<u>\$ 1,006</u>	<u>\$ 250</u>	<u>\$ 54</u>	<u>\$ 1,039</u>	<u>\$ -</u>	<u>\$ 180,165</u>	<u>\$ 29,548</u>	<u>\$ 2,439,165</u>

City of Amherst, Ohio

Combining Balance Sheet Nonmajor Capital Projects Funds

December 31, 2006

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
Assets:			
Equity in pooled cash and cash equivalents	\$ 203,881	\$ 58,429	\$ 12,623
Intergovernmental receivable	27,351	-	-
Property taxes receivable	249,479	-	-
Total assets	\$ 480,711	\$ 58,429	\$ 12,623
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 10,510	\$ -	\$ -
Interfund payable	-	34,900	-
Deferred revenue	276,830	-	-
Total liabilities	287,340	34,900	-
Fund balances:			
Reserved for encumbrances	18,214	-	-
Unreserved; undesignated	175,157	23,529	12,623
Total fund balances	193,371	23,529	12,623
Total liabilities and fund balances	\$ 480,711	\$ 58,429	\$ 12,623

City Hall Auditorium	North Lake Street Tunnel	Total Nonmajor Capital Projects Funds
\$ 236,909	\$ 47,800	\$ 559,642
-	-	27,351
-	-	249,479
<u>\$ 236,909</u>	<u>\$ 47,800</u>	<u>\$ 836,472</u>
\$ -	\$ -	\$ 10,510
-	-	34,900
-	-	276,830
<u>-</u>	<u>-</u>	<u>322,240</u>
58,364	-	76,578
<u>178,545</u>	<u>47,800</u>	<u>437,654</u>
<u>236,909</u>	<u>47,800</u>	<u>514,232</u>
<u>\$ 236,909</u>	<u>\$ 47,800</u>	<u>\$ 836,472</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, 2006

	Fire Apparatus Levy	CDBG Improvements	Permanent Improvement
Revenues:			
Property taxes	\$ 250,011	\$ -	\$ -
Intergovernmental	27,351	-	-
Investment earnings	-	-	-
Miscellaneous	1,965	-	-
Total revenues	<u>279,327</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	30,932	-	-
Capital outlay	494,486	-	-
Total expenditures	<u>525,418</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(246,091)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	(1,540)	-	-
Total other financing sources (uses)	<u>(1,540)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(247,631)	-	-
Fund balances at beginning of year	<u>441,002</u>	<u>23,529</u>	<u>12,623</u>
Fund balances at end of year	<u>\$ 193,371</u>	<u>\$ 23,529</u>	<u>\$ 12,623</u>

City Hall Auditorium	North Lake Street Tunnel	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 250,011
-	-	27,351
9,264	-	9,264
-	-	1,965
<u>9,264</u>	<u>-</u>	<u>288,591</u>
-	-	30,932
-	-	494,486
-	-	525,418
<u>9,264</u>	<u>-</u>	<u>(236,827)</u>
<u>-</u>	<u>-</u>	<u>(1,540)</u>
<u>-</u>	<u>-</u>	<u>(1,540)</u>
9,264	-	(238,367)
<u>227,645</u>	<u>47,800</u>	<u>752,599</u>
<u>\$ 236,909</u>	<u>\$ 47,800</u>	<u>\$ 514,232</u>

City of Amherst, Ohio

Combining Statements Fiduciary Funds

Fiduciary Funds

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

Private Purpose Trust Fund

Cemetery Trust Fund

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

Agency Funds

Street Openings Fund

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

Building Standards Assessment Fund

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

Joint Ambulance District Fund

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

Developer's Deposits and Fees Fund

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

City of Amherst, Ohio

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2006

	Street Openings	Building Standards Assessment	Joint Ambulance District	Developer's Deposits and Fees	Total
Assets:					
Equity in pooled cash and cash equivalents	\$ 11,297	\$ 1,178	\$ -	\$ 13,430	\$ 25,905
Cash and cash equivalents in segregated accounts	-	-	2,489	-	2,489
Total Assets	\$ 11,297	\$ 1,178	\$ 2,489	\$ 13,430	\$ 28,394
Liabilities:					
Undistributed monies	\$ 3,020	\$ -	\$ -	\$ -	\$ 3,020
Deposits held and due to others	8,277	1,178	2,489	13,430	25,374
Total Liabilities	\$ 11,297	\$ 1,178	\$ 2,489	\$ 13,430	\$ 28,394

City of Amherst, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
Street Openings				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,287	\$ 2,010	\$ -	\$ 11,297
Liabilities:				
Undistributed Monies	\$ 1,010	\$ 2,010	\$ -	\$ 3,020
Deposits held and due to others	8,277	-	-	8,277
Total liabilities	\$ 9,287	\$ 2,010	\$ -	\$ 11,297
Building Standards Assessment				
Assets:				
Equity in pooled cash and cash equivalents	\$ 684	\$ 4,199	\$ 3,705	\$ 1,178
Liabilities:				
Deposits held and due to others	\$ 684	\$ 494	\$ -	\$ 1,178
Joint ambulance district				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 2,489	\$ -	\$ -	\$ 2,489
Liabilities:				
Deposits held and due to others	\$ 2,489	\$ -	\$ -	\$ 2,489
Developer's Deposits and Fees				
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,082	\$ 31,558	\$ 29,210	\$ 13,430
Liabilities:				
Deposits held and due to others	\$ 11,082	\$ 2,348	\$ -	\$ 13,430
Totals - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 21,053	\$ 37,767	\$ 32,915	\$ 25,905
Cash and cash equivalents in segregated accounts	2,489	-	-	2,489
Total assets	\$ 23,542	\$ 37,767	\$ 32,915	\$ 28,394
Liabilities:				
Undistributed monies	\$ 1,010	\$ 2,010	\$ -	\$ 3,020
Deposits held and due to others	22,532	2,842	-	25,374
Total liabilities	\$ 23,542	\$ 4,852	\$ -	\$ 28,394

**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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 730,000	\$ 730,000	\$ 952,120	\$ 222,120
Income taxes	1,870,000	1,925,000	2,046,208	121,208
Intergovernmental	502,600	502,600	435,868	(66,732)
Charges for services	120,000	120,000	97,353	(22,647)
Fees, licenses and permits	375,000	375,000	398,973	23,973
Contributions and donations	-	-	12,993	12,993
Interest	330,000	330,000	877,438	547,438
Miscellaneous	98,627	229,539	136,814	(92,725)
Total revenues	<u>4,026,227</u>	<u>4,212,139</u>	<u>4,957,767</u>	<u>745,628</u>
Expenditures:				
Current operations and maintenance:				
General Government:				
Mayor's office				
Salaries and wages	88,000	87,000	86,298	702
Fringe benefits	17,300	17,815	17,044	771
Materials and supplies	4,500	4,000	3,071	929
Contractual services	11,600	10,210	8,978	1,232
Total mayor's office	<u>121,400</u>	<u>119,025</u>	<u>115,391</u>	<u>3,634</u>
Safety services				
Salaries and wages	10,680	10,680	10,679	1
Fringe benefits	6,400	6,410	6,156	254
Materials and supplies	150	150	60	90
Contractual services	112,700	90,416	64,481	25,935
Total safety services	<u>129,930</u>	<u>107,656</u>	<u>81,376</u>	<u>26,280</u>
City council				
Salaries and wages	63,000	63,000	61,108	1,892
Fringe benefits	12,700	13,000	11,717	1,283
Materials and supplies	4,000	5,135	4,127	1,008
Contractual services	16,200	23,827	20,642	3,185
Total city council	<u>95,900</u>	<u>104,962</u>	<u>97,594</u>	<u>7,368</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Auditor				
Salaries and wages	97,500	97,300	78,939	18,361
Fringe benefits	30,000	30,000	25,381	4,619
Materials and supplies	7,000	8,376	6,264	2,112
Contractual services	60,700	71,060	52,027	19,033
Capital outlay	4,000	4,000	-	4,000
Total auditor	<u>199,200</u>	<u>210,736</u>	<u>162,611</u>	<u>48,125</u>
Treasurer				
Salaries and wages	50,600	50,600	48,761	1,839
Fringe benefits	13,850	13,850	12,769	1,081
Materials and supplies	4,500	4,916	2,946	1,970
Contractual services	19,450	22,723	20,401	2,322
Total treasurer	<u>88,400</u>	<u>92,089</u>	<u>84,877</u>	<u>7,212</u>
Law Director				
Salaries and wages	126,000	126,000	125,497	503
Fringe benefits	24,200	24,415	24,073	342
Contractual services	9,000	28,000	27,061	939
Total law director	<u>159,200</u>	<u>178,415</u>	<u>176,631</u>	<u>1,784</u>
City hall				
Materials and supplies	6,250	4,281	1,307	2,974
Contractual services	14,000	14,038	11,138	2,900
Total city hall	<u>20,250</u>	<u>18,319</u>	<u>12,445</u>	<u>5,874</u>
Civil service commission				
Salaries and wages	2,300	2,300	2,232	68
Fringe benefits	500	510	442	68
Materials and supplies	100	100	98	2
Contractual services	5,200	5,200	1,549	3,651
Total civil service commission	<u>8,100</u>	<u>8,110</u>	<u>4,321</u>	<u>3,789</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income tax department				
Salaries and wages	47,260	47,260	40,862	6,398
Fringe benefits	24,350	24,350	21,264	3,086
Materials and supplies	9,600	14,691	11,954	2,737
Contractual services	20,700	21,242	18,010	3,232
Capital outlay	9,200	9,200	9,200	-
Refunds and reimbursements	40,000	40,000	26,955	13,045
Total income tax department	<u>151,110</u>	<u>156,743</u>	<u>128,245</u>	<u>28,498</u>
Downtown director				
Contractual services	30,000	36,098	31,672	4,426
Total downtown director	<u>30,000</u>	<u>36,098</u>	<u>31,672</u>	<u>4,426</u>
Amherst office building				
Materials and supplies	5,500	5,500	5,475	25
Contractual services	4,000	4,000	4,000	-
Total Amherst office building	<u>9,500</u>	<u>9,500</u>	<u>9,475</u>	<u>25</u>
Miscellaneous				
Fringe benefits	-	600	603	(3)
Contractual services	37,600	47,400	45,260	2,140
Capital outlay	53,000	57,198	22,372	34,826
Total miscellaneous	<u>90,600</u>	<u>105,198</u>	<u>68,235</u>	<u>36,963</u>
Total general government	<u>1,103,590</u>	<u>1,146,851</u>	<u>972,873</u>	<u>173,978</u>
Security of persons and property:				
Police department				
Salaries and wages	1,545,000	1,575,000	1,569,383	5,617
Fringe benefits	672,500	691,704	689,924	1,780
Materials and supplies	85,000	134,476	119,792	14,684
Contractual services	206,000	231,329	215,669	15,660
Capital outlay	59,000	39,258	39,243	15
Total police department	<u>2,567,500</u>	<u>2,671,767</u>	<u>2,634,011</u>	<u>37,756</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fire department				
Salaries and wages	348,000	337,000	303,454	33,546
Fringe benefits	94,100	109,390	94,092	15,298
Materials and supplies	20,000	23,848	19,263	4,585
Contractual services	64,200	67,559	62,249	5,310
Capital outlay	2,500	-	-	-
Total fire department	<u>528,800</u>	<u>537,797</u>	<u>479,058</u>	<u>58,739</u>
Total security of persons and property	<u>3,096,300</u>	<u>3,209,564</u>	<u>3,113,069</u>	<u>96,495</u>
Public health and welfare				
Cemetery				
Salaries and wages	14,000	14,000	9,432	4,568
Fringe benefits	3,100	3,100	2,967	133
Materials and supplies	1,600	2,796	991	1,805
Contractual services	700	728	220	508
Total cemetery	<u>19,400</u>	<u>20,624</u>	<u>13,610</u>	<u>7,014</u>
County health district				
Contractual services	<u>41,000</u>	<u>41,000</u>	<u>40,251</u>	<u>749</u>
Total county health district	<u>41,000</u>	<u>41,000</u>	<u>40,251</u>	<u>749</u>
Total public health and welfare	<u>60,400</u>	<u>61,624</u>	<u>53,861</u>	<u>7,763</u>
Community development				
Building inspector				
Salaries and wages	150,000	150,000	147,280	2,720
Fringe benefits	47,100	50,216	48,474	1,742
Materials and supplies	5,100	5,100	2,374	2,726
Contractual services	46,000	52,625	32,246	20,379
Total building inspector	<u>248,200</u>	<u>257,941</u>	<u>230,374</u>	<u>27,567</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning commission				
Salaries and wages	5,500	5,500	5,102	398
Fringe benefits	350	400	324	76
Materials and supplies	250	250	176	74
Contractual services	300	300	300	-
Total planning commission	<u>6,400</u>	<u>6,450</u>	<u>5,902</u>	<u>548</u>
Board of zoning appeals				
Materials and supplies	275	275	275	-
Contractual services	1,500	1,500	1,363	137
Total board of zoning appeals	<u>1,775</u>	<u>1,775</u>	<u>1,638</u>	<u>137</u>
Total community development	<u>256,375</u>	<u>266,166</u>	<u>237,914</u>	<u>28,252</u>
Total expenditures	<u>4,516,665</u>	<u>4,684,205</u>	<u>4,377,717</u>	<u>306,488</u>
Excess of revenues over (under) expenditures	<u>(490,438)</u>	<u>(472,066)</u>	<u>580,050</u>	<u>1,052,116</u>
Other financing sources (uses):				
Sale of capital assets	20,000	20,000	1,625	(18,375)
Transfers in	1,832,000	1,837,902	2,104,930	267,028
Advances out	(50,000)	(50,000)	-	50,000
Transfers out	(3,078,440)	(3,078,440)	(2,941,028)	137,412
Total other financing sources (uses)	<u>(1,276,440)</u>	<u>(1,270,538)</u>	<u>(834,473)</u>	<u>436,065</u>
Net change in fund balance	(1,766,878)	(1,742,604)	(254,423)	1,488,181
Fund balance at beginning of year	1,798,760	1,798,760	1,798,760	-
Prior year encumbrances appropriated	<u>136,627</u>	<u>136,627</u>	<u>136,627</u>	<u>-</u>
Fund balance at end of year	<u>\$ 168,509</u>	<u>\$ 192,783</u>	<u>\$ 1,680,964</u>	<u>\$ 1,488,181</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 1,875,000	\$ 1,875,000	\$ 2,021,921	\$ 146,921
Total revenues	<u>1,875,000</u>	<u>1,875,000</u>	<u>2,021,921</u>	<u>146,921</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	350,000	477,777	267,159	210,618
Capital outlay	2,200,000	3,135,444	2,560,599	574,845
Refunds and reimbursement	50,000	50,000	25,889	24,111
Debt service:				
Principal retirement	27,000	40,000	37,001	2,999
Interest and fiscal charges	-	32,000	31,524	476
Total expenditures	<u>2,627,000</u>	<u>3,735,221</u>	<u>2,922,172</u>	<u>813,049</u>
Excess of revenues over (under) expenditures	(752,000)	(1,860,221)	(900,251)	959,970
Other financing sources (uses):				
Transfers out	(1,000,000)	(1,000,000)	(238,182)	761,818
Advances out	(1,000,000)	(1,000,000)	-	1,000,000
Advances in	-	272,000	272,000	-
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(1,728,000)</u>	<u>33,818</u>	<u>1,761,818</u>
Net change in fund balance	(2,752,000)	(3,588,221)	(866,433)	2,721,788
Fund balance at beginning of year	2,754,692	2,754,692	2,754,692	-
Prior year encumbrances appropriated	<u>1,108,222</u>	<u>1,108,222</u>	<u>1,108,222</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,110,914</u>	<u>\$ 274,693</u>	<u>\$ 2,996,481</u>	<u>\$ 2,721,788</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 385,182	\$ 396,694	11,512
Miscellaneous	-	125,000	113,182	(11,818)
Total revenues	<u>-</u>	<u>510,182</u>	<u>509,876</u>	<u>(306)</u>
Expenditures:				
Transportation				
Contractual services	20,000	53,000	33,000	20,000
Capital outlay	488,406	2,984,861	2,779,783	205,078
Total transportation	<u>508,406</u>	<u>3,037,861</u>	<u>2,812,783</u>	<u>225,078</u>
Debt Service:				
Other	-	5,281	3,436	1,845
Total debt service	<u>-</u>	<u>5,281</u>	<u>3,436</u>	<u>1,845</u>
Total expenditures	<u>508,406</u>	<u>3,043,142</u>	<u>2,816,219</u>	<u>226,923</u>
Excess of revenues over (under) expenditures	(508,406)	(2,532,960)	(2,306,343)	226,617
Other financing sources (uses):				
Advance out	-	(272,000)	(272,000)	-
Proceeds of loan	1,000,000	1,431,676	1,431,676	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,159,676</u>	<u>1,159,676</u>	<u>-</u>
Net change in fund balance	491,594	(1,373,284)	(1,146,667)	226,617
Fund balance at beginning of year	508,405	508,405	508,405	-
Prior year encumbrances appropriated	<u>866,272</u>	<u>866,272</u>	<u>866,272</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,866,271</u>	<u>\$ 1,393</u>	<u>\$ 228,010</u>	<u>\$ 226,617</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,883,000	\$ 1,898,000	\$ 1,807,419	\$ (90,581)
Miscellaneous	84,000	84,000	70,809	(13,191)
Total revenues	<u>1,967,000</u>	<u>1,982,000</u>	<u>1,878,228</u>	<u>(103,772)</u>
Expenses:				
Water operations:				
Salaries and wages	301,000	295,482	259,481	36,001
Fringe benefits	121,460	128,778	116,546	12,232
Contractual services	1,039,200	1,071,520	961,548	109,972
Materials and supplies	232,175	234,037	191,240	42,797
Capital outlay	254,250	1,111,977	810,078	301,899
Debt service:				
Principal retirement	60,000	70,000	70,000	-
Interest and fiscal charges	50,000	60,300	60,209	91
Bond issuance costs	-	2,871	1,864	1,007
Total expenses	<u>2,058,085</u>	<u>2,974,965</u>	<u>2,470,966</u>	<u>503,999</u>
Excess of revenues over (under) expenses	(91,085)	(992,965)	(592,738)	400,227
Other financing sources (uses):				
Proceeds from loans	-	776,476	776,476	-
Net change in fund equity	(91,085)	(216,489)	183,738	400,227
Fund equity at beginning of year	840,579	840,579	840,579	-
Prior year encumbrances appropriated	<u>359,008</u>	<u>359,008</u>	<u>359,008</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,108,502</u>	<u>\$ 983,098</u>	<u>\$ 1,383,325</u>	<u>\$ 400,227</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 121,338	\$ 121,338
Charges for services	2,244,000	2,244,000	2,324,983	80,983
Miscellaneous	140,000	140,000	113,668	(26,332)
Total revenues	<u>2,384,000</u>	<u>2,384,000</u>	<u>2,559,989</u>	<u>175,989</u>
Expenses:				
Sewer operations:				
Salaries and wages	585,000	584,137	522,585	61,552
Fringe benefits	235,800	238,742	200,792	37,950
Contractual services	461,000	603,181	321,277	281,904
Materials and supplies	783,625	906,864	353,791	553,073
Capital outlay	1,748,750	2,514,191	745,929	1,768,262
Debt service:				
Principal retirement	430,000	501,500	408,466	93,034
Interest and fiscal charges	408,000	373,000	367,078	5,922
Total expenses	<u>4,652,175</u>	<u>5,721,615</u>	<u>2,919,918</u>	<u>2,801,697</u>
Net change in fund equity	(2,268,175)	(3,337,615)	(359,929)	2,977,686
Fund equity at beginning of year	2,393,301	2,393,301	2,393,301	-
Prior year encumbrances appropriated	<u>1,069,438</u>	<u>1,069,438</u>	<u>1,069,438</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,194,564</u>	<u>\$ 125,124</u>	<u>\$ 3,102,810</u>	<u>\$ 2,977,686</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 6,588,000	\$ 6,939,000	\$ 8,338,694	\$ 1,399,694
Miscellaneous	346,000	346,000	320,350	(25,650)
Total revenues	<u>6,934,000</u>	<u>7,285,000</u>	<u>8,659,044</u>	<u>1,374,044</u>
Expenses:				
Electric operations:				
Salaries and wages	625,000	622,929	567,970	54,959
Fringe benefits	236,840	243,055	230,545	12,510
Contractual services	6,369,800	6,453,533	5,941,808	511,725
Materials and supplies	475,400	550,627	434,557	116,070
Capital outlay	338,177	668,886	477,680	191,206
Debt service:				
Other	15,000	15,000	14,898	102
Principal retirement	300,000	300,000	299,034	966
Interest and fiscal charges	113,000	113,000	113,000	-
Total expenses	<u>8,473,217</u>	<u>8,967,030</u>	<u>8,079,492</u>	<u>887,538</u>
Excess of revenues over (under) expenses	(1,539,217)	(1,682,030)	579,552	2,261,582
Other financing sources (uses):				
Transfers in	400,000	400,000	419,028	19,028
Transfers out	(450,000)	(450,000)	(419,028)	30,972
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund equity	(1,589,217)	(1,732,030)	579,552	2,311,582
Fund equity at beginning of year	1,445,527	1,445,527	1,445,527	-
Prior year encumbrances appropriated	<u>493,814</u>	<u>493,814</u>	<u>493,814</u>	<u>-</u>
Fund equity at end of year	<u>\$ 350,124</u>	<u>\$ 207,311</u>	<u>\$ 2,518,893</u>	<u>\$ 2,311,582</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 366,500	\$ 366,500	\$ 505,811	\$ 139,311
Miscellaneous	1,000	1,000	5,789	4,789
Total revenues	<u>367,500</u>	<u>367,500</u>	<u>511,600</u>	<u>144,100</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street maintenance and repair				
Salaries and wages	465,000	464,900	406,710	58,190
Fringe benefits	194,000	195,525	181,829	13,696
Contractual services	211,400	106,456	74,021	32,435
Materials and supplies	109,000	259,900	192,124	67,776
Capital outlay	30,000	30,001	2,100	27,901
Total expenditures	<u>1,009,400</u>	<u>1,056,782</u>	<u>856,784</u>	<u>199,998</u>
Excess of revenues over (under) expenditures	(641,900)	(689,282)	(345,184)	344,098
Other financing sources (uses):				
Transfers in	<u>467,500</u>	<u>467,500</u>	<u>550,000</u>	<u>82,500</u>
Net change in fund balance	(174,400)	(221,782)	204,816	426,598
Fund balance at beginning of year	347,033	347,033	347,033	-
Prior year encumbrances appropriated	<u>47,382</u>	<u>47,382</u>	<u>47,382</u>	<u>-</u>
Fund balance at end of year	<u>\$ 220,015</u>	<u>\$ 172,633</u>	<u>\$ 599,231</u>	<u>\$ 426,598</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 29,504	\$ 29,504	\$ 41,012	\$ 11,508
Total revenues	<u>29,504</u>	<u>29,504</u>	<u>41,012</u>	<u>11,508</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Salaries & Wages	10,000	10,000	10,000	-
Contractual services	33,750	12,087	7,621	4,466
Materials and supplies	13,000	37,808	34,037	3,771
Total expenditures	<u>56,750</u>	<u>59,895</u>	<u>51,658</u>	<u>8,237</u>
Net change in fund balance	(27,246)	(30,391)	(10,646)	19,745
Fund balance at beginning of year	27,766	27,766	27,766	-
Prior year encumbrances appropriated	<u>3,145</u>	<u>3,145</u>	<u>3,145</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,665</u>	<u>\$ 520</u>	<u>\$ 20,265</u>	<u>\$ 19,745</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 63,126	\$ 3,126
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>63,126</u>	<u>3,126</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Contractual Services	-	33,661	-	33,661
Capital Outlay	125,000	323,548	241,479	82,069
Debt service:				
Principal	-	8,000	7,984	16
Interest and fiscal charges	-	9,500	9,315	185
Total expenditures	<u>125,000</u>	<u>374,709</u>	<u>258,778</u>	<u>115,931</u>
Net change in fund balance	(65,000)	(314,709)	(195,652)	119,057
Fund balance at beginning of year	65,071	65,071	65,071	-
Prior year encumbrances appropriated	<u>249,709</u>	<u>249,709</u>	<u>249,709</u>	<u>-</u>
Fund balance at end of year	<u>\$ 249,780</u>	<u>\$ 71</u>	<u>\$ 119,128</u>	<u>\$ 119,057</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 43,902	\$ 3,902
Charges for services	81,000	71,000	78,951	7,951
Miscellaneous	2,000	12,000	16,017	4,017
Total revenues	<u>123,000</u>	<u>123,000</u>	<u>138,870</u>	<u>15,870</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Salaries and wages	101,000	101,000	87,398	13,602
Fringe benefits	19,000	19,125	17,306	1,819
Contractual services	31,000	33,168	21,504	11,664
Materials and supplies	42,000	43,956	34,255	9,701
Capital outlay	20,000	20,000	6,373	13,627
Total expenditures	<u>213,000</u>	<u>217,249</u>	<u>166,836</u>	<u>50,413</u>
Net change in fund balance	(90,000)	(94,249)	(27,966)	66,283
Fund balance at beginning of year	90,802	90,802	90,802	-
Prior year encumbrances appropriated	<u>4,249</u>	<u>4,249</u>	<u>4,249</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,051</u>	<u>\$ 802</u>	<u>\$ 67,085</u>	<u>\$ 66,283</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 19,098	\$ 3,098
Charges for services	39,200	38,900	34,093	(4,807)
Investment income	300	300	1,484	1,184
Miscellaneous	1,200	1,200	3,168	1,968
Total revenues	<u>56,700</u>	<u>56,400</u>	<u>57,843</u>	<u>1,443</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Salaries and wages	73,100	73,100	66,226	6,874
Fringe benefits	25,100	25,450	21,788	3,662
Contractual services	33,100	39,656	38,595	1,061
Materials and supplies	4,825	5,455	4,689	766
Total expenditures	<u>136,125</u>	<u>143,661</u>	<u>131,298</u>	<u>12,363</u>
Excess of revenues over (under) expenditures	(79,425)	(87,261)	(73,455)	13,806
Other financing sources (uses):				
Transfers in	<u>84,000</u>	<u>84,000</u>	<u>92,000</u>	<u>8,000</u>
Net change in fund balance	4,575	(3,261)	18,545	21,806
Fund balance at beginning of year	20,793	20,793	20,793	-
Prior year encumbrances appropriated	<u>7,535</u>	<u>7,535</u>	<u>7,535</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,903</u>	<u>\$ 25,067</u>	<u>\$ 46,873</u>	<u>\$ 21,806</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 68,000	\$ 68,000	\$ 30,000	\$ (38,000)
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>30,000</u>	<u>(38,000)</u>
Expenditures:				
Current operations and maintenance:				
General government				
Contractual services	225,000	235,580	128,885	106,695
Capital Outlay	<u>509,000</u>	<u>509,000</u>	<u>410,368</u>	<u>98,632</u>
Total expenditures	<u>734,000</u>	<u>744,580</u>	<u>539,253</u>	<u>205,327</u>
Net change in fund balance	(666,000)	(676,580)	(509,253)	167,327
Fund balance at beginning of year	686,744	686,744	686,744	-
Prior year encumbrances appropriated	<u>10,580</u>	<u>10,580</u>	<u>10,580</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,324</u>	<u>\$ 20,744</u>	<u>\$ 188,071</u>	<u>\$ 167,327</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 77	\$ 77
Miscellaneous	-	38,000	25,540	(12,460)
Total revenues	<u>-</u>	<u>38,000</u>	<u>25,617</u>	<u>(12,383)</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Materials and supplies	38,000	46,640	12,640	34,000
Capital outlay	76,000	133,300	72,020	61,280
Total expenditures	<u>114,000</u>	<u>179,940</u>	<u>84,660</u>	<u>95,280</u>
Net change in fund balance	(114,000)	(141,940)	(59,043)	82,897
Fund balance at beginning of year	76,965	76,965	76,965	-
Prior year encumbrances appropriated	<u>65,940</u>	<u>65,940</u>	<u>65,940</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,905</u>	<u>\$ 965</u>	<u>\$ 83,862</u>	<u>\$ 82,897</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 127,015	\$ 12,015
Charges for services	9,000	9,000	9,280	280
Total revenues	<u>124,000</u>	<u>124,000</u>	<u>136,295</u>	<u>12,295</u>
Expenditures:				
Current operations and maintenance:				
General government				
Fringe benefits	1,400	1,400	554	846
Contractual services	66,300	75,204	50,210	24,994
Materials and supplies	21,000	16,182	8,488	7,694
Capital outlay	20,000	20,000	13,957	6,043
Total expenditures	<u>108,700</u>	<u>112,786</u>	<u>73,209</u>	<u>39,577</u>
Net change in fund balance	15,300	11,214	63,086	51,872
Fund balance at beginning of year	321,607	321,607	321,607	-
Prior year encumbrances appropriated	<u>4,086</u>	<u>4,086</u>	<u>4,086</u>	<u>-</u>
Fund balance at end of year	<u>\$ 340,993</u>	<u>\$ 336,907</u>	<u>\$ 388,779</u>	<u>\$ 51,872</u>

City of Amherst, Ohio

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

Assistance to Firefighter Grant

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 19,278	\$ 20,818	\$ 18,314	\$ (2,504)
Total revenues	<u>19,278</u>	<u>20,818</u>	<u>18,314</u>	<u>(2,504)</u>
Expenditures:				
Security of persons and property:				
Materials and supplies	19,278	19,278	19,852	(574)
Total expenditures	<u>19,278</u>	<u>19,278</u>	<u>19,852</u>	<u>(574)</u>
Excess of revenues over (under) expenditures	-	1,540	(1,538)	(3,078)
Other financing sources (uses):				
Transfers in	-	-	1,540	1,540
Net change in fund balance	-	1,540	2	(1,538)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,540</u>	<u>\$ 2</u>	<u>\$ (1,538)</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	\$ -	\$ 6,382	\$ 6,382	\$ -
Total expenditures	<u>-</u>	<u>6,382</u>	<u>6,382</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	(6,382)	(6,382)	-
Other financing sources (uses):				
Transfers in	<u>5,885</u>	<u>5,885</u>	<u>-</u>	<u>(5,885)</u>
Net change in fund balance	5,885	(497)	(6,382)	(5,885)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>6,382</u>	<u>6,382</u>	<u>6,382</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,267</u>	<u>\$ 5,885</u>	<u>\$ -</u>	<u>\$ (5,885)</u>

City of Amherst, Ohio

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

EMS Training Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,000	\$ 1,000
Total revenues	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Expenditures:				
Current operations and maintenance:				
Materials and supplies	\$ 4,625	\$ 4,625	\$ 2,651	\$ 1,974
Total expenditures	<u>4,625</u>	<u>4,625</u>	<u>2,651</u>	<u>1,974</u>
Net change in fund balance	(4,625)	(4,625)	(1,651)	2,974
Fund balance at beginning of year	<u>4,625</u>	<u>4,625</u>	<u>4,625</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,974</u>	<u>\$ 2,974</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
General government				
Salaries and wages	\$ 2,420	\$ 2,420	\$ 2,420	\$ -
Total expenditures	<u>2,420</u>	<u>2,420</u>	<u>2,420</u>	<u>-</u>
Net change in fund balance	(2,420)	(2,420)	(2,420)	-
Fund balance at beginning of year	<u>2,420</u>	<u>2,420</u>	<u>2,420</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Amherst, Ohio

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

R U OK Fund

For The Year Ended December 31, 2006

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

City of Amherst, Ohio

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

Law Enforcement Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ 13,000	\$ 16,000	\$ 16,055	\$ 55
Total revenues	<u>13,000</u>	<u>16,000</u>	<u>16,055</u>	<u>55</u>
Expenditures:				
Security of persons and property:				
Capital outlay	30,000	40,275	36,001	4,274
Total expenditures	<u>30,000</u>	<u>40,275</u>	<u>36,001</u>	<u>4,274</u>
Excess of revenues over (under) expenditures	(17,000)	(24,275)	(19,946)	4,329
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	7,000	23,772	16,772
Net change in fund balance	(17,000)	(17,275)	3,826	21,101
Fund balance at beginning of year	17,384	17,384	17,384	-
Prior year encumbrances appropriated	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
Fund balance at end of year	<u>\$ 659</u>	<u>\$ 384</u>	<u>\$ 21,485</u>	<u>\$ 21,101</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	<u>\$ 375</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 375</u>
Net change in fund balance	(375)	(375)	-	375
Fund balance at beginning of year	<u>376</u>	<u>376</u>	<u>376</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 376</u></u>	<u><u>\$ 375</u></u>

City of Amherst, Ohio

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

DUI Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 3,395	\$ 3,395
Total revenues	<u>-</u>	<u>-</u>	<u>3,395</u>	<u>3,395</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	5,494	5,494	5,494	-
Total expenditures	<u>5,494</u>	<u>5,494</u>	<u>5,494</u>	<u>-</u>
Net change in fund balance	(5,494)	(5,494)	(2,099)	3,395
Fund balance at beginning of year	<u>5,494</u>	<u>5,494</u>	<u>5,494</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,395</u>	<u>\$ 3,395</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Salaries and wages	\$ 1,503	\$ 1,503	\$ 1,503	\$ -
Total expenditures	<u>1,503</u>	<u>1,503</u>	<u>1,503</u>	<u>-</u>
Net change in fund balance	(1,503)	(1,503)	(1,503)	-
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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Amherst, Ohio

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

COPS Grant Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fringe benefits	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Salaries and wages	3,604	3,604	3,604	-
Total expenditures	<u>5,604</u>	<u>5,604</u>	<u>5,604</u>	<u>-</u>
Net change in fund balance	(5,604)	(5,604)	(5,604)	-
Fund balance at beginning of year	4,461	4,461	4,461	-
Prior year encumbrances appropriated	<u>1,143</u>	<u>1,143</u>	<u>1,143</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Amherst, Ohio

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

Bullet Proof Vest Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 263	\$ 263
Total revenues	<u>-</u>	<u>-</u>	<u>263</u>	<u>263</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	744	744	-	744
Total expenditures	<u>744</u>	<u>744</u>	<u>-</u>	<u>744</u>
Net change in fund balance	(744)	(744)	263	1,007
Fund balance at beginning of year	<u>744</u>	<u>744</u>	<u>744</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 1,007</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, 2006

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

City of Amherst, Ohio

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

Traffic Safety Grant Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Salaries and wages	\$ 1,039	\$ 1,039	\$ -	\$ 1,039
Total expenditures	<u>1,039</u>	<u>1,039</u>	<u>-</u>	<u>1,039</u>
Net change in fund balance	(1,039)	(1,039)	-	1,039
Fund balance at beginning of year	<u>1,039</u>	<u>1,039</u>	<u>1,039</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,039</u></u>	<u><u>\$ 1,039</u></u>

City of Amherst, Ohio

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

Disabled Parking Fund

For The Year Ended December 31, 2006

	<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				
Capital outlay	\$ 250	\$ 250	\$ 250	\$ -
Total expenditures	250	250	250	-
Net change in fund balance	(250)	(250)	(250)	-
Fund balance at beginning of year	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 81,751	\$ 81,751	\$ 78,251	\$ (3,500)
Total revenues	<u>81,751</u>	<u>81,751</u>	<u>78,251</u>	<u>(3,500)</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	81,751	81,751	78,251	3,500
Total expenditures	<u>81,751</u>	<u>81,751</u>	<u>78,251</u>	<u>3,500</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 309,656	\$ 309,656	\$ 151,518	\$ (158,138)
Total revenues	<u>309,656</u>	<u>309,656</u>	<u>151,518</u>	<u>(158,138)</u>
Expenditures:				
Current operations and maintenance:				
Capital outlay	249,656	249,656	131,295	118,361
Contractual services	60,000	60,000	17,916	42,084
Total expenditures	<u>309,656</u>	<u>309,656</u>	<u>149,211</u>	<u>160,445</u>
Excess of revenues over (under) expenditures	-	-	2,307	2,307
Other financing sources (uses):				
Advances out	(300,000)	(300,000)	-	300,000
Transfers out	(186,424)	(186,424)	(5,902)	180,522
Total other financing sources (uses)	<u>(486,424)</u>	<u>(486,424)</u>	<u>(5,902)</u>	<u>480,522</u>
Net change in fund balance	(486,424)	(486,424)	(3,595)	482,829
Fund balance at beginning of year	<u>486,426</u>	<u>486,426</u>	<u>486,426</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 482,831</u>	<u>\$ 482,829</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>
Total revenues	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Net change in fund balance	-	-	1,250	1,250
Fund balance at beginning of year	<u>28,298</u>	<u>28,298</u>	<u>28,298</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,298</u>	<u>\$ 28,298</u>	<u>\$ 29,548</u>	<u>\$ 1,250</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 200,000	\$ 200,000	\$ 205,374	\$ 5,374
Intergovernmental	23,558	23,558	22,640	(918)
Miscellaneous	-	-	125	125
Total revenues	<u>223,558</u>	<u>223,558</u>	<u>228,139</u>	<u>4,581</u>
Expenditures:				
Debt service:				
Principal retirement	200,000	200,000	200,000	-
Interest and fiscal charges	111,000	96,000	88,875	7,125
Contractual services	4,000	19,000	5,665	13,335
Total expenditures	<u>315,000</u>	<u>315,000</u>	<u>294,540</u>	<u>20,460</u>
Excess of revenues over (under) expenditures	(91,442)	(91,442)	(66,401)	25,041
Other financing sources (uses):				
Proceeds from loans	-	-	2,769	2,769
Transfer In	-	-	200,000	200,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>202,769</u>	<u>202,769</u>
Net change in fund balance	(91,442)	(91,442)	136,368	227,810
Fund balance at beginning of year	<u>375,078</u>	<u>375,078</u>	<u>375,078</u>	<u>-</u>
Fund balance at end of year	<u>\$ 283,636</u>	<u>\$ 283,636</u>	<u>\$ 511,446</u>	<u>\$ 227,810</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property tax	\$ 240,000	\$ 240,000	\$ 250,011	\$ 10,011
Intergovernmental	30,000	30,000	27,351	(2,649)
Miscellaneous	-	-	1,965	1,965
Total revenues	<u>270,000</u>	<u>270,000</u>	<u>279,327</u>	<u>9,327</u>
Expenditures:				
Security of persons and property				
Contractual services	-	12,400	3,847	8,553
Materials and supplies	-	100,000	41,212	58,788
Capital outlay	-	524,217	497,240	26,977
Total expenditures	<u>-</u>	<u>636,617</u>	<u>542,299</u>	<u>94,318</u>
Excess of revenues over (under) expenditures	270,000	(366,617)	(262,972)	103,645
Other financing sources (uses):				
Transfers out	-	(6,000)	(1,540)	4,460
Net change in fund balance	270,000	(372,617)	(264,512)	108,105
Fund balance at beginning of year	16,786	16,786	16,786	-
Prior year encumbrances appropriated	<u>424,217</u>	<u>424,217</u>	<u>424,217</u>	<u>-</u>
Fund balance at end of year	<u>\$ 711,003</u>	<u>\$ 68,386</u>	<u>\$ 176,491</u>	<u>\$ 108,105</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Capital outlay	\$ 1,375	\$ 1,375	\$ -	\$ 1,375
Total expenditures	<u>1,375</u>	<u>1,375</u>	<u>-</u>	<u>1,375</u>
Net change in fund balance	(1,375)	(1,375)	-	1,375
Fund balance at beginning of year	<u>58,429</u>	<u>58,429</u>	<u>58,429</u>	<u>-</u>
Fund balance at end of year	<u>\$ 57,054</u>	<u>\$ 57,054</u>	<u>\$ 58,429</u>	<u>\$ 1,375</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Capital outlay	\$ 9,304	\$ 9,304	\$ -	\$ 9,304
Total expenditures	<u>9,304</u>	<u>9,304</u>	<u>-</u>	<u>9,304</u>
Excess of revenues over (under) expenditures	(9,304)	(9,304)	-	9,304
Other financing sources (uses):				
Transfers out	<u>(3,319)</u>	<u>(3,319)</u>	<u>-</u>	<u>3,319</u>
Total other financing sources (uses)	(3,319)	(3,319)	-	3,319
Net change in fund balance	(12,623)	(12,623)	-	12,623
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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,623</u></u>	<u><u>\$ 12,623</u></u>

City of Amherst, Ohio

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

City Hall Auditorium Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 9,898	\$ 9,898
Total revenues	<u>-</u>	<u>-</u>	<u>9,898</u>	<u>9,898</u>
Expenditures:				
Current operations and maintenance:				
Contractual services	-	58,364	58,364	-
Capital outlay	168,647	168,647	-	168,647
Total expenditures	<u>168,647</u>	<u>227,011</u>	<u>58,364</u>	<u>168,647</u>
Net change in fund balance	(168,647)	(227,011)	(48,466)	178,545
Fund balance at beginning of year	168,647	168,647	168,647	-
Prior year encumbrances appropriated	<u>58,364</u>	<u>58,364</u>	<u>58,364</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,364</u>	<u>\$ -</u>	<u>\$ 178,545</u>	<u>\$ 178,545</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):				
Transfers out	\$ (47,800)	\$ (47,800)	\$ -	\$ 47,800
Total other financing sources (uses)	(47,800)	(47,800)	-	47,800
Net change in fund balance	(47,800)	(47,800)	-	47,800
Fund balance at beginning of year	<u>47,800</u>	<u>47,800</u>	<u>47,800</u>	
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 47,800</u></u>	<u><u>\$ 47,800</u></u>

City of Amherst, Ohio

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

Health Insurance Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ 800,000	\$ 1,000,000	\$ 779,680	\$ (220,320)
Total revenues	<u>800,000</u>	<u>1,000,000</u>	<u>779,680</u>	<u>(220,320)</u>
Expenditures:				
Claims	425,000	646,560	643,512	3,048
Contractual services	230,000	230,000	220,830	9,170
Total expenditures	<u>655,000</u>	<u>876,560</u>	<u>864,342</u>	<u>12,218</u>
Net change in fund balance	145,000	123,440	(84,662)	(208,102)
Fund balance at beginning of year	<u>274,498</u>	<u>274,498</u>	<u>274,498</u>	<u>-</u>
Fund balance at end of year	<u>\$ 419,498</u>	<u>\$ 397,938</u>	<u>\$ 189,836</u>	<u>\$ (208,102)</u>

City of Amherst, Ohio

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

Cemetery Trust Fund

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 177	\$ 177
Total revenues	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
Expenditures:				
Capital outlay	100	100	95	5
Total expenditures	<u>100</u>	<u>100</u>	<u>95</u>	<u>5</u>
Excess of revenues over (under) expenditures	(100)	(100)	82	182
Fund balance at beginning of year	<u>4,048</u>	<u>4,048</u>	<u>4,048</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,948</u>	<u>\$ 3,948</u>	<u>\$ 4,130</u>	<u>\$ 182</u>

Statistical Section

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

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STATISTICAL TABLES

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

CONTENTS	PAGES
Financial Trends	126 to 133
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	134 to 139
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	140 to 145
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	146 to 147
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating information	148 to 151
These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of Amherst, Ohio
Net Assets By Component
Last Five Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003	2002
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 15,915,559	\$ 15,848,347	\$ 14,262,957	\$ 13,079,697	\$ 10,927,382
Restricted:					
Capital Projects	6,350,070	5,775,685	5,635,261	6,029,078	6,830,887
Debt Service	522,199	389,713	257,053	395,556	548,358
Other Purposes	1,777,456	1,623,160	969,055	1,072,223	3,293,617
Unrestricted	4,755,621	4,934,364	5,649,251	5,907,166	3,654,304
<i>Total Governmental Activities Net Assets</i>	<u>\$ 29,320,905</u>	<u>\$ 28,571,269</u>	<u>\$ 26,773,577</u>	<u>\$ 26,483,720</u>	<u>\$ 25,254,548</u>
Business Type - Activities					
Invested in Capital Assets, Net of Related Debt	\$ 10,882,276	\$ 10,666,565	\$ 10,247,197	\$ 10,383,641	\$ 9,759,573
Unrestricted	10,466,825	8,800,987	10,225,310	8,078,131	7,921,636
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 21,349,101</u>	<u>\$ 19,467,552</u>	<u>\$ 20,472,507</u>	<u>\$ 18,461,772</u>	<u>\$ 17,681,209</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 26,797,835	\$ 26,514,912	\$ 24,510,154	\$ 23,463,338	\$ 20,686,955
Restricted	8,649,725	7,788,558	6,861,369	7,496,857	10,672,862
Unrestricted	15,222,446	13,735,351	15,874,561	13,985,297	11,575,940
<i>Total Primary Government Net Assets</i>	<u>\$ 50,670,006</u>	<u>\$ 48,038,821</u>	<u>\$ 47,246,084</u>	<u>\$ 44,945,492</u>	<u>\$ 42,935,757</u>

Note: 2002 was the first year the City reported under the GASB 34 reporting model. Data prior to 2002 is not presented.

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

Source: Respective comprehensive annual financial reports.

City of Amherst, Ohio
Changes in Net Assets
Last Five Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003	2002
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 98,555	\$ 89,819	\$ 1,094,527	\$ 1,031,672	\$ 164,642
Security of Persons and Property	388,358	372,818	2,081	2,983	215,947
Public Health and Welfare	19,215	23,252	36,241	41,943	80,989
Leisure Time Activities	14,587	20,760	62,336	62,154	112,505
Community Development	27,440	6,795	-	-	15,780
Transportation	70,446	147,808	-	-	-
Central Services	-	3,478	-	-	-
Interest and Fiscal Charges	848	207	-	-	-
Subtotal - Charges for Services	<u>619,449</u>	<u>664,937</u>	<u>1,195,185</u>	<u>1,138,752</u>	<u>589,863</u>
Operating Grants and Contributions:					
General Government	38,841	47,489	250,812	332,569	536,525
Security of Persons and Property	27,547	73,668	124,286	62,404	578,397
Public Health and Welfare	99,196	130,734	20,100	14,755	46,543
Leisure Time Activities	124,377	152,147	37,931	168,472	64,362
Community Development	205,928	61,677	49,360	134,291	278,495
Transportation	600,652	918,110	506,583	435,207	490,469
Interest and Fiscal Charges	7,235	25,533	-	-	-
Subtotal - Operating Grants and Contributions	<u>1,103,776</u>	<u>1,409,358</u>	<u>989,072</u>	<u>1,147,698</u>	<u>1,994,791</u>
Capital Grants and Contributions:					
General Government	16,037	6,575	4,386	137,000	6,107
Security of Persons and Property	-	15,271	31,167	31,604	-
Transportation	211,617	238,589	206,898	27,784	991,436
Leisure Time Activities	-	-	-	28,075	-
Interest and Fiscal Charges	40,588	-	-	-	-
Subtotal - Capital Grants and Contributions	<u>268,242</u>	<u>260,435</u>	<u>242,451</u>	<u>224,463</u>	<u>997,543</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,991,467</u>	<u>2,334,730</u>	<u>2,426,708</u>	<u>2,510,913</u>	<u>3,582,197</u>
Business-Type Activities:					
Charges for Services:					
Water	1,892,333	1,899,419	2,039,892	1,833,888	2,025,507
Sewer	2,321,797	2,361,056	2,392,084	2,632,408	2,423,426
Electric	8,400,806	7,366,094	6,535,752	6,185,959	6,359,999
Capital Grants and Contributions					
Water	-	-	-	-	-
Sewer	-	1,142,046	-	-	-
<i>Total Business-Type Activities Program Revenues</i>	<u>12,614,936</u>	<u>12,768,615</u>	<u>10,967,728</u>	<u>10,652,255</u>	<u>10,808,932</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 14,606,403</u>	<u>\$ 15,103,345</u>	<u>\$ 13,394,436</u>	<u>\$ 13,163,168</u>	<u>\$ 14,391,129</u>

(continued)

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

	2006	2005	2004	2003	2002
Expenses					
Governmental Activities:					
General Government	\$ 1,171,650	\$ 951,096	\$ 2,317,483	\$ 1,624,209	\$ 1,439,619
Security of Persons and Property	3,586,487	3,785,329	2,855,859	3,026,629	2,814,476
Public Health and Welfare	213,065	205,063	209,452	269,524	219,656
Leisure Time Activities	247,131	185,408	186,117	324,696	171,378
Community Development	598,737	52,768	317,254	348,226	423,510
Transportation	2,382,629	1,984,088	2,351,243	1,632,491	1,248,114
Interest and Fiscal Charges	226,277	119,966	128,868	151,803	127,272
Central Services	-	34,371	-	-	-
<i>Total Governmental Activities Expenses</i>	<u>8,425,976</u>	<u>7,318,089</u>	<u>8,366,276</u>	<u>7,377,578</u>	<u>6,444,025</u>
Business-Type Activities					
Water	1,652,501	1,791,620	1,862,909	1,874,892	1,787,152
Sewer	2,090,383	3,998,887	2,038,345	2,084,577	1,471,176
Electric	7,443,978	8,520,416	5,900,552	6,027,435	5,218,086
<i>Total Business-Type Activities Expenses</i>	<u>11,186,862</u>	<u>14,310,923</u>	<u>9,801,806</u>	<u>9,986,904</u>	<u>8,476,414</u>
<i>Total Primary Government Program Expenses</i>	<u>19,612,838</u>	<u>21,629,012</u>	<u>18,168,082</u>	<u>17,364,482</u>	<u>14,920,439</u>
Net (Expense)/Revenue					
Governmental Activities	(6,434,509)	(4,983,359)	(5,939,568)	(4,866,665)	(2,861,828)
Business-Type Activities	1,428,074	(1,542,308)	1,165,922	665,351	2,332,518
<i>Total Primary Government Net Expense</i>	<u>(5,006,435)</u>	<u>(6,525,667)</u>	<u>(4,773,646)</u>	<u>(4,201,314)</u>	<u>(529,310)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes levied For:					
General Purposes	\$ 919,975	\$ 929,197	\$ 766,973	\$ 570,753	\$ 723,164
Debt Service	197,338	204,812	189,916	188,109	263,193
Capital Projects	239,346	253,611	235,348	235,400	187,987
Income Tax levied for:					
General Purposes	2,095,647	1,995,695	1,914,477	2,048,667	1,895,017
Capital Projects	2,050,926	1,974,016	1,939,801	1,817,627	1,833,830
Grants and Entitlements not Restricted to					
Specific Programs	461,827	389,082	673,754	491,904	142,972
Investment Earnings	968,739	518,177	301,412	286,316	330,833
Gain on Sale of Capital Assets	3,778	10,798	3,275	-	-
Miscellaneous Income	233,576	148,285	206,882	164,061	81,084
Unrestricted contributions	12,993	-	-	-	-
Transfers	-	-	(2,415)	293,000	-
<i>Total Governmental Activities</i>	<u>7,184,145</u>	<u>6,423,673</u>	<u>6,229,423</u>	<u>6,095,837</u>	<u>5,458,080</u>
Business-Type Activities					
Gain on Sale of Capital Assets	3,675	-	3,825	-	-
Miscellaneous	449,800	138,743	-	11,820	13,001
Transfers	-	-	2,415	(293,000)	-
<i>Total Business-Type Activities Revenues</i>	<u>453,475</u>	<u>138,743</u>	<u>6,240</u>	<u>(281,180)</u>	<u>13,001</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>7,637,620</u>	<u>6,562,416</u>	<u>6,235,663</u>	<u>5,814,657</u>	<u>5,471,081</u>
Extraordinary Item					
Settlement	-	357,378	-	-	-
Change in Net Assets					
Governmental Activities	749,636	1,797,692	289,855	1,229,172	2,596,252
Business-Type Activities	1,881,549	(1,403,565)	1,172,162	384,171	2,345,519
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 2,631,185</u>	<u>\$ 394,127</u>	<u>\$ 1,462,017</u>	<u>\$ 1,613,343</u>	<u>\$ 4,941,771</u>

Source: Respective comprehensive annual financial reports.

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

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ 67,437	\$ 208,569	\$ 140,579	\$ 152,678	\$ 82,608	\$ 275,320	\$ 380,679	\$ 567,450	\$ 604,002	\$ 227,510
Unreserved	1,894,564	1,811,261	2,789,773	2,997,622	2,398,227	2,861,343	2,494,583	1,842,634	1,533,254	1,478,338
Total General Fund	1,962,001	2,019,830	2,930,352	3,150,300	2,480,835	3,136,663	2,875,262	2,410,084	2,137,256	1,705,848
All Other Governmental Funds										
Reserved	3,276,378	2,666,422	2,519,378	1,894,535	1,596,825	1,138,741	1,026,660	1,071,744	338,641	581,518
Unreserved, Undesignated, Reported in:										
Special Revenue funds	1,890,894	1,951,422	1,846,055	2,230,212	2,981,454	2,462,571	2,127,982	1 5,938,639	1 5,218,527	2,070,660
Debt Service funds	511,445	375,077	257,053	395,556	541,686	482,033	430,891	449,543	440,005	313,507
Capital Projects funds	3,942,992	3,823,153	3,390,990	4,175,093	5,030,843	4,303,619	4,211,967	1 51,691	1 507,850	1,360,290
Total All Other Governmental Funds	9,621,709	8,816,074	8,013,476	8,695,396	10,150,808	8,386,964	7,797,500	7,511,617	6,505,023	4,325,975
Total Governmental Funds	\$ 11,583,710	\$ 10,835,904	\$ 10,943,828	\$ 11,845,696	\$ 12,631,643	\$ 11,523,627	\$ 10,672,762	\$ 9,921,701	\$ 8,642,279	\$ 6,031,823

(1) Note: The City reclassified the Street Improvement Income Tax Fund from a special revenue fund to a capital projects fund in 2000.

Source: Respective comprehensive annual financial reports.

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

	2006	2005	2004	2003	2002	2001
Revenues						
Property Taxes	\$ 1,407,505	\$ 1,337,465	\$ 1,188,100	\$ 991,775	\$ 1,167,758	\$ 1,169,182
Municipal Income Taxes	4,032,808	3,865,734	3,927,202	3,788,947	3,725,200	3,651,332
Charges for Services	221,794	285,148	290,796	314,972	350,321	532,846
Fees, Licenses and Permits	291,711	315,432	366,938	420,083	217,192	318,079
Fines and Forfeitures	105,945	64,356	-	-	-	-
Intergovernmental	1,772,141	2,090,892	1,800,248	1,725,403	2,401,816	2,124,088
Investment Earnings	968,739	518,177	301,412	286,316	330,833	694,517
Miscellaneous Income	259,677	198,285	166,475	327,696	151,675	285,836
<i>Total Revenues</i>	<u>9,060,320</u>	<u>8,675,489</u>	<u>8,041,171</u>	<u>7,855,192</u>	<u>8,344,795</u>	<u>8,775,880</u>
Expenditures						
Current:						
General Government	1,092,691	904,361	1,665,590	1,181,052	1,342,248	1,870,746
Security of Persons and Property	3,053,176	3,241,446	2,766,068	2,662,351	2,509,091	2,354,057
Public Health and Welfare	208,951	205,856	207,574	266,206	212,335	232,374
Leisure Time Activities	159,941	168,781	172,837	193,476	153,245	233,885
Central Services	-	35,902	-	-	-	-
Community Development	300,383	66,356	318,764	344,776	414,298	171,746
Basic Utilities Services	-	-	-	-	-	-
Transportation	1,190,978	1,329,361	1,661,249	1,029,501	791,440	946,083
Capital Outlay	3,570,263	2,871,096	1,891,182	3,346,438	1,518,687	1,986,509
Debt Service:						
Principal Retirement	247,559	233,335	206,925	133,000	156,440	162,359
Interest and Fiscal Charges	176,474	95,095	98,505	151,275	162,548	161,760
<i>Total Expenditures</i>	<u>10,000,416</u>	<u>9,151,589</u>	<u>8,988,694</u>	<u>9,308,075</u>	<u>7,260,332</u>	<u>8,119,519</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(940,096)</u>	<u>(476,100)</u>	<u>(947,523)</u>	<u>(1,452,883)</u>	<u>1,084,463</u>	<u>656,361</u>
Other Financing Sources (Uses)						
Proceeds from the Sale of Capital Assets	23,772	10,798	48,068	440	-	-
Proceeds of General Obligation Bonds	1,475,000	-	-	373,496	-	-
Proceeds of Notes and Loans	189,130	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	12,870	132,160
Transfers In	1,081,722	1,764,432	674,446	826,688	1,955,570	1,517,760
Transfers Out	<u>(1,081,722)</u>	<u>(1,764,432)</u>	<u>(676,861)</u>	<u>(533,688)</u>	<u>(1,955,570)</u>	<u>(1,517,760)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,687,902</u>	<u>10,798</u>	<u>45,653</u>	<u>666,936</u>	<u>12,870</u>	<u>132,160</u>
Extraordinary Item:						
Proceeds from Settlement	-	357,378	-	-	-	-
<i>Net Change in Fund Balances</i>	<u>\$ 747,806</u>	<u>\$ (107,924)</u>	<u>\$ (901,870)</u>	<u>\$ (785,947)</u>	<u>\$ 1,097,333</u>	<u>\$ 788,521</u>
Debt Service as a Percentage of Noncapital Expenditures	6.6%	5.2%	4.3%	4.8%	5.6%	5.3%

Source: Respective comprehensive annual financial reports.

	2000	1999	1998	1997
\$	1,041,042	\$ 1,000,210	\$ 1,246,390	\$ 970,721
	3,343,168	3,488,301	3,100,489	2,988,362
	539,138	472,839	394,814	342,182
	154,903	195,584	148,415	115,094
	-	-	-	-
	1,611,675	1,488,573	1,384,658	1,182,692
	988,512	845,505	542,981	453,349
	93,172	484,130	170,115	98,968
	<u>7,771,610</u>	<u>7,975,142</u>	<u>6,987,862</u>	<u>6,151,368</u>
	2,286,294	1,666,854	1,038,884	1,010,571
	2,084,632	1,927,491	1,873,275	1,661,003
	211,198	183,883	226,816	157,076
	156,305	139,402	151,680	408,297
	-	-	-	-
	206,578	131,734	109,571	91,357
	-	-	-	81,935
	856,361	792,423	649,567	650,314
	800,320	1,369,075	1,283,508	1,906,867
	125,161	276,000	101,000	96,000
	160,349	195,468	280,350	183,009
	<u>6,887,198</u>	<u>6,682,330</u>	<u>5,714,651</u>	<u>6,246,429</u>
	884,412	1,292,812	1,273,211	(95,061)
	-	18,985	-	1,776
	-	-	700,000	-
	-	-	-	-
	21,122	-	-	-
	767,076	2,436,367	2,558,866	109,500
	<u>(767,076)</u>	<u>(2,483,953)</u>	<u>(2,390,176)</u>	<u>(109,500)</u>
	<u>21,122</u>	<u>(28,601)</u>	<u>868,690</u>	<u>1,776</u>
	-	-	-	-
\$	<u>905,534</u>	<u>\$ 1,264,211</u>	<u>\$ 2,141,901</u>	<u>\$ (93,285)</u>
	4.7%	8.9%	8.6%	6.4%

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

	1997	1998	1999	2000	2001	2002	2003
Water Fund							
Assets	\$ 3,787,744	\$ 5,100,356	\$ 5,831,832	\$ 5,117,418	\$ 4,713,444	\$ 4,885,148	\$ 4,872,614
Net Assets	3,222,309	3,805,683	4,586,304	3,817,533	3,467,646	3,711,065	3,671,808
Operating Revenue	1,157,930	1,329,913	1,474,696	1,317,169	1,377,640	2,027,579	1,835,635
Operating Expense	1,401,056	754,366	634,142	1,411,839	1,470,153	1,746,243	1,831,531
Operating Income (Loss)	(243,126)	575,547	840,554	(94,670)	(92,513)	281,336	4,104
Nonoperating:							
Interest Expense	-	-	(54,445)	(47,771)	(46,310)	(40,909)	(43,361)
Other, net	(5,329)	(15,608)	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(5,488)	-	-	-	-
Changes in Net Assets/Net Income	(248,455)	559,939	780,621	(142,441)	(138,823)	240,427	(39,257)
Number of Employees	4	4	6	5	5	5	4
Pumpage (millions of gallons):							
Average Day	1.72	1.78	1.97	1.69	1.74	1.74	1.70
Total Year's Pumpage	627	648	719	617	635	635	621
Sewer Fund							
Assets	\$ 7,742,816	\$ 8,036,492	\$ 8,323,548	\$ 8,507,603	\$ 8,613,285	\$ 11,088,161	\$ 19,059,392
Net Assets	5,120,607	5,229,489	5,683,593	5,908,284	6,057,317	8,774,425	9,757,638
Operating Revenue	1,503,176	1,565,663	1,639,651	1,718,310	2,131,660	2,426,919	2,635,370
Operating Expense	1,707,107	1,192,382	1,052,679	1,340,138	1,690,271	1,369,687	1,962,480
Operating Income (Loss)	(203,931)	373,281	586,972	378,172	441,389	1,057,232	672,890
Nonoperating:							
Interest Expense	-	-	(123,719)	(115,444)	(110,632)	(101,489)	(99,449)
Loss on Sale of Capital Asset	-	-	-	-	-	-	-
Other, net	103,558	(284,353)	-	-	-	-	(22,648)
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(9,149)	-	-	-	(293,000)
Capital Contributions	-	-	-	-	-	-	-
Changes in Net Assets/Net Income	(100,373)	88,928	454,104	262,728	330,757	955,743	257,793
Number of Employees	9	9	10	10	10	8	9
Treatment Data (millions of gallons per day)							
Minimum Day	1.16	0.91	1.06	1.30	1.05	0.92	1.32
Maximum Day	4.17	5.05	5.07	6.98	5.15	6.34	6.70
Average Day	2.03	1.93	1.78	2.23	1.77	1.95	2.32
Maximum Capacity							
Design	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Hydraulic	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electric Fund							
Assets	\$ 6,497,261	\$ 7,937,307	\$ 8,974,567	\$ 10,422,131	\$ 9,111,202	\$ 9,407,247	\$ 9,363,499
Net Assets	5,306,471	5,044,865	6,141,082	5,033,721	4,021,860	5,195,719	5,032,326
Operating Revenue	4,267,116	5,056,936	5,218,231	5,378,214	5,875,121	6,367,435	6,193,070
Operating Expense	3,757,142	5,126,746	3,998,125	5,540,643	7,489,033	4,960,798	5,791,470
Operating Income (Loss)	509,974	(69,810)	1,220,106	(162,429)	(1,613,912)	1,406,637	401,600
Nonoperating:							
Interest Expense	-	-	(118,856)	(112,508)	(227,297)	(144,558)	(138,265)
Equity in Income of Joint Venture	-	-	-	-	2,050,825	-	-
Loss on Investment in Joint Venture	-	-	-	-	-	(112,730)	(97,700)
Other, net	63,457	31,410	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(5,033)	-	-	-	-
Changes in Net Assets/Net Income	573,431	(38,400)	1,096,217	(274,937)	209,616	1,149,349	165,635
Number of Employees	4	4	5	5	4	6	5

Source: Respective comprehensive annual financial reports.

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

2004	2005	2006
\$ 5,146,826	\$ 5,186,627	\$ 6,210,032
4,020,493	4,141,038	4,447,762
2,039,892	1,912,165	1,959,225
1,821,311	1,749,994	1,569,000
218,581	162,171	390,225
(41,598)	(41,626)	(83,501)
1,225	-	-
805	-	-
-	-	-
179,013	120,545	306,724
4	5	5
1.48	1.64	1.52
540	598	555
\$ 22,400,095	\$ 20,504,463	\$ 20,110,331
10,264,876	10,190,224	10,493,031
2,392,084	2,383,579	2,393,190
1,926,144	2,798,330	1,775,374
465,940	(414,751)	617,816
(112,201)	(395,845)	(315,009)
-	(804,712)	-
-	-	-
805	-	-
-	-	-
-	1,142,046	-
354,544	(473,262)	302,807
9	9	9
1.13	1.57	1.53
10.30	9.71	11.77
2.45	3.01	2.62
3.50	3.50	3.50
7.50	7.50	7.50
\$ 9,968,720	\$ 8,672,522	\$ 9,547,975
20,472,507	5,136,290	6,408,308
6,535,752	7,469,568	8,712,321
5,783,685	8,171,429	7,235,603
752,067	(701,861)	1,476,718
(116,867)	(163,681)	(115,618)
-	-	-
-	(185,306)	(92,757)
2,600	-	3,675
805	-	-
-	-	-
638,605	(1,050,848)	1,272,018
7	8	8

City of Amherst, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property (3)	
	Assessed Value		Estimated Actual Value(1)	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2006	\$ 261,838,730	\$ 46,202,660	\$ 880,118,257	\$ 3,220,620	\$ 3,659,795
2005	242,938,520	40,662,610	810,288,943	3,363,860	3,822,568
2004(2)	235,317,860	39,370,670	762,489,429	3,748,390	4,259,534
2003	229,343,730	37,471,510	762,329,257	3,944,970	4,482,920
2002	206,629,190	35,536,210	691,901,143	3,780,300	4,295,795
2001	200,905,350	34,892,130	673,707,086	5,692,860	6,469,159
2000	195,970,850	35,050,420	660,060,771	5,701,900	6,479,432
1999	164,090,580	32,480,400	561,631,371	5,853,200	6,651,364
1998	160,361,580	31,064,650	518,491,771	5,778,870	6,566,898
1997	154,297,290	27,138,370	424,703,400	5,811,310	6,603,761

Source: Lorain County Auditor

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

(2) - Reflects triennial adjustment

(3) - House Bill 66 (the State's biennial budget) has begun the phase out of the Tangible Personal Property Tax (TPP) in the next three years. To reflect this phase out, the assessed valuation listed above for TPP is 75% of the 2005 Actual Assessed Valuation and 67% of the 2006 Actual Assessed Valuation.

Tangible Personal Property (3)						
General Business			Total			
Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value		Ratio
\$ 11,937,746	3	\$ 63,667,979	\$ 323,199,756	\$ 947,446,031		34.11%
10,265,265	3	41,061,060	297,230,255	855,172,571		34.76
14,702,555		58,810,220	293,139,475	825,559,183		35.51
17,418,620		69,674,480	288,178,830	836,486,658		34.45
19,348,620		77,394,480	265,294,320	773,591,418		34.29
18,953,000		75,812,000	260,443,340	755,988,245		34.45
18,188,231		72,752,924	254,911,401	739,293,127		34.48
18,834,889		75,339,556	221,259,069	643,622,291		34.38
16,914,700		67,658,800	214,119,800	592,717,469		36.13
17,451,520		69,806,080	204,698,490	501,113,241		40.85

City of Amherst, Ohio
Property Tax Rates
Last Ten Years

Fiscal Year	Effective Rate (1)			City							County	Amherst Exempted School District	Lorain County Joint Vocational School
	Class 1 Res/Agr	Class 2 All other	Total Rate	General Fund	Bond Retirement - Inside	Bond Retirement - Voted	Fire - Voted	Health District	Total City				
1997 for 1998	45.28	50.48	77.99	3.00	0.20	1.57	1.00	0.00	5.77	12.69	57.98	2.45	
1998 for 1999	45.27	50.04	77.52	3.00	0.20	1.57	1.00	0.00	5.77	10.79	57.98	2.45	
1999 for 2000	45.00	49.91	77.42	3.00	0.20	1.10	1.00	0.00	5.30	10.79	57.98	2.45	
2000 for 2001	45.45	52.40	81.79	3.00	0.20	1.00	1.00	0.00	5.20	10.79	57.98	2.45	
2001 for 2002	47.82	54.93	83.85	3.00	0.20	0.93	1.00	0.00	5.13	10.79	62.42	2.45	
2002 for 2003	46.06	52.92	82.02	3.00	0.20	0.90	1.00	1.00	6.10	12.89	60.88	2.45	
2003 for 2004	45.16	52.58	83.14	3.00	0.20	0.55	1.00	1.00	5.75	12.89	62.05	2.45	
2004 for 2005	45.58	52.74	83.37	3.00	0.20	0.55	1.00	1.00	5.75	13.19	61.98	2.45	
2005 for 2006	46.93	53.05	83.67	3.00	0.20	0.55	1.00	1.00	5.75	13.49	61.98	2.45	
2006 for 2007	43.36	49.09	83.30	3.00	0.20	0.50	1.00	1.00	5.70	13.49	61.66	2.45	

Source: Lorain County Auditor

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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2006	\$ 1,332,810	\$ 1,299,579	97.51	\$ 34,759	\$ 1,334,338	100.11%	\$ 29,516	2.21
2005	1,304,357	1,272,619	97.57	34,027	1,306,646	100.18	32,211	2.47
2004	1,265,889	1,235,798	97.62	28,813	1,264,611	99.90	55,427	4.38
2003	1,182,379	1,150,168	97.28	33,819	1,183,987	100.14	30,799	2.60
2002	1,161,290	1,124,502	96.83	26,128	1,150,630	99.08	23,582	2.03
2001	1,149,617	1,118,764	97.32	30,690	1,149,454	99.99	35,546	3.09
2000	1,022,049	990,743	96.94	24,251	1,014,994	99.31	38,346	3.75
1999	1,014,406	987,449	97.34	23,639	1,011,088	99.67	32,596	3.21
1998	1,060,110	1,033,552	97.49	30,917	1,064,469	100.41	31,958	3.01
1997	811,095	785,675	96.87	12,552	798,227	98.41	29,368	3.62

137

Source: Lorain County, Ohio: County Auditor

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

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

City of Amherst, Ohio
Principal Property Taxpayers
 2006

Taxpayer	Property Assessed Valuation (1)	Percentage of Assessed Valuation
Nordson Corp	\$ 4,530,840	1.52 %
Amherst Plaza Limited	3,128,090	1.05
Acadia Amherst LLC	2,301,250	0.77
Spitzer A. Team Limited	1,624,390	0.55
Amherst Manor Company	1,059,550	0.36
Centrytel of Ohio, Inc.	1,007,760	0.34
Central Village Ltd. Co.	1,003,530	0.34
Lilley Britt C. Trustee	908,800	0.31
Oster Construction	891,330	0.30
Pinecrest Apartments Ltd.	884,880	0.30
Total Ten Taxpayers Assessed Valuation	<u>\$ 17,340,420</u>	<u>5.84 %</u>
Total Assessed Valuation	<u>\$ 297,230,255</u>	

(1) The amounts presented represent the assessed values upon which 2006 collections were based.

Information for 1997 was not available.

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

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2006	1.50%	\$ 4,068,103	\$ 2,294,139	56.39%	\$ 285,236	7.01%	\$ 1,488,728	36.60%
2005	1.50	3,882,300	2,250,827	57.98	233,210	6.01	1,398,264	36.02
2004	1.50	3,822,924	2,244,897	58.72	247,164	6.47	1,330,863	34.81
2003	1.50	3,687,817	2,184,166	59.23	226,001	6.13	1,277,651	34.65
2002	1.50	3,749,039	2,160,222	57.62	253,536	6.76	1,335,281	35.62
2001	1.50	3,624,987	2,135,184	58.90	241,373	6.66	1,248,430	34.44
2000	1.50	3,504,774	2,096,513	59.82	243,531	6.95	1,164,730	33.23
1999	1.50	3,443,015	1,998,178	58.04	356,315	10.35	1,088,523	31.62
1998	1.50	3,101,203	1,873,211	60.40	228,688	7.37	999,304	32.22
1997	1.50	2,988,371	1,804,719	60.39	266,460	8.92	917,193	30.69

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

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

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

Year	Governmental Activities			Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	Notes Payable	Capital Leases	OWDA Loans	OPWC Loans			
2006	\$ 3,903,525	\$ 249,791	\$ 1,717	\$ 4,554,999	\$ 1,432,000	\$ -	\$ 7,824,569	\$ 114,486	\$ 18,081,087	5.97%	\$ 1,533
2005	2,615,759	70,646	4,291	4,140,000	1,585,000	-	8,099,235	83,039	16,597,970	5.48	1,407
2004	2,779,497	77,071	36,201	4,495,000	1,715,000	27,922	9,357,962	89,682	18,578,335	6.14	1,575
2003	2,948,000	85,996	69,720	4,770,000	1,865,000	54,264	5,935,709	96,324	15,825,013	5.23	1,341
2002	2,781,000	12,500	101,509	5,075,000	2,005,000	79,118	-	102,966	10,157,093	3.36	861
2001	2,904,000	17,500	117,079	5,365,000	-	102,567	-	109,609	8,615,755	2.85	730
2000	3,027,000	22,500	19,278	5,640,000	-	-	-	116,252	8,825,030	2.92	748
1999	3,145,000	-	2,817	5,915,000	-	-	-	122,894	9,185,711	N/A	889
1998	3,421,000	-	4,689	6,175,000	-	-	-	130,641	9,731,330	N/A	942
1997	350,000	-	-	745,000	-	-	-	-	1,095,000	N/A	106

140

Note: Population and Personal Income data are presented on page 147.

N/A - Information not available

Source: City's financial records

City of Amherst, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2006	11,797	b	\$ 947,446,031	\$ 3,903,525	0.41 %	\$ 330.89
2005	11,797	b	855,172,571	2,615,759	0.31	221.73
2004	11,797	b	825,559,183	2,779,497	0.34	235.61
2003	11,797	b	836,486,658	2,948,000	0.35	249.89
2002	11,797	b	773,591,418	2,781,000	0.36	235.74
2001	11,797	b	755,988,245	2,904,000	0.38	246.16
2000	11,797	b	739,293,127	3,027,000	0.41	256.59
1999	10,332	a	643,622,291	3,145,000	0.49	304.39
1998	10,332	a	592,717,469	3,421,000	0.58	331.11
1997	10,332	a	501,113,241	350,000	0.07	33.88

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

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

City of Amherst, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2006

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Amherst			
General Obligation Bonds	\$3,903,525	100 %	\$3,903,525
OPWC Loans	249,791	100	249,791
Capital Leases	1,717	100	1,717
<i>Total Direct Debt</i>	<u>4,155,033</u>		<u>4,155,033</u>
Overlapping			
County			
General Obligation Bonds	<u>29,840,000</u>	4.70%	<u>1,402,480</u>
<i>Total Overlapping Debt</i>	<u>29,840,000</u>		<u>1,402,480</u>
Total	<u><u>\$33,995,033</u></u>		<u><u>\$5,557,513</u></u>

Source: County Auditor

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

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City of Amherst, Ohio
Legal Debt Margin
Last Ten Years

	2006	2005	2004	2003
Total Assessed Property Value	\$ 323,199,756	\$ 297,230,255	\$ 293,139,475	\$ 288,178,830
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	33,935,974	31,209,177	30,779,645	30,258,777
Debt Outstanding:				
General Obligation Bonds	\$ 8,458,524	\$ 6,755,759	\$ 7,274,497	\$ 7,718,000
Notes Payable	1,432,000	1,585,000	1,715,000	1,865,000
OPWC Loans	364,277	153,685	166,753	182,320
OWDA Loans	7,824,569	8,099,235	9,357,962	5,935,709
Total Gross Indebtedness	18,079,370	16,593,679	18,514,212	15,701,029
Less:				
General Obligation Bonds - Business Type Activities	(4,554,999)	(4,140,000)	(4,495,000)	(4,770,000)
Notes Payable - Business Type Activities	(1,432,000)	(1,585,000)	(1,715,000)	(1,865,000)
OPWC Loans - Business Type Activities	(114,486)	(83,039)	(89,682)	(96,324)
OWDA Loans - Business Type Activities	(7,824,569)	(8,099,235)	(9,357,962)	(5,935,709)
Total Net Debt Applicable to Debt Limit	4,153,316	2,686,405	2,856,568	3,033,996
Legal Debt Margin Within 10 ½ % Limitations	\$ 29,782,658	\$ 28,522,772	\$ 27,923,077	\$ 27,224,781
Legal Debt Margin as a Percentage of the Debt Limit	87.76%	91.39%	90.72%	89.97%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$ 17,775,987	\$ 16,347,664	\$ 16,122,671	\$ 15,849,836
Total Gross Indebtedness	18,079,370	16,593,679	18,514,212	15,701,029
Less:				
General Obligation Bonds - Business Type Activities	(4,554,999)	(4,140,000)	(4,495,000)	(4,770,000)
Notes Payable - Business Type Activities	(1,432,000)	(1,585,000)	(1,715,000)	(1,865,000)
OPWC Loans - Business Type Activities	(114,486)	(83,039)	(89,682)	(96,324)
OWDA Loans - Business Type Activities	(7,824,569)	(8,099,235)	(9,357,962)	(5,935,709)
Net Debt Within 5 ½ % Limitations	4,153,316	2,686,405	2,856,568	3,033,996
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 13,622,671	\$ 13,661,259	\$ 13,266,103	\$ 12,815,840
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	76.64%	83.57%	82.28%	80.86%

Source: City Financial Records

2002	2001	2000	1999	1998	1997
<u>\$ 265,294,320</u>	<u>\$ 260,443,340</u>	<u>\$ 254,911,401</u>	<u>\$ 221,259,069</u>	<u>\$ 214,119,800</u>	<u>\$ 204,698,490</u>
27,855,904	27,346,551	26,765,697	23,232,202	22,482,579	21,493,341
\$ 7,856,000	\$ 8,269,000	\$ 8,667,000	\$ 9,060,000	\$ 9,596,000	\$ 1,095,000
2,005,000	-	-	-	-	-
115,466	127,109	138,752	122,894	130,641	-
-	-	-	-	-	-
9,976,466	8,396,109	8,805,752	9,182,894	9,726,641	1,095,000
(5,075,000)	(5,365,000)	(5,640,000)	(5,915,000)	(6,175,000)	(745,000)
(2,005,000)	-	-	-	-	-
(102,966)	(109,609)	(116,252)	(122,894)	(130,641)	-
-	-	-	-	-	-
2,793,500	2,921,500	3,049,500	3,145,000	3,421,000	350,000
<u>\$ 25,062,404</u>	<u>\$ 24,425,051</u>	<u>\$ 23,716,197</u>	<u>\$ 20,087,202</u>	<u>\$ 19,061,579</u>	<u>\$ 21,143,341</u>
89.97%	89.32%	88.61%	86.46%	84.78%	98.37%
\$ 14,591,188	\$ 14,324,384	\$ 14,020,127	\$ 12,169,249	\$ 11,776,589	\$ 11,258,417
9,976,466	8,396,109	8,805,752	9,182,894	9,726,641	1,095,000
(5,075,000)	(5,365,000)	(5,640,000)	(5,915,000)	(6,175,000)	(745,000)
(2,005,000)	-	-	-	-	-
(102,966)	(109,609)	(116,252)	(122,894)	(130,641)	-
-	-	-	-	-	-
2,793,500	2,921,500	3,049,500	3,145,000	3,421,000	350,000
<u>\$ 11,797,688</u>	<u>\$ 11,402,884</u>	<u>\$ 10,970,627</u>	<u>\$ 9,024,249</u>	<u>\$ 8,355,589</u>	<u>\$ 10,908,417</u>
80.85%	79.60%	78.25%	74.16%	70.95%	96.89%

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

2006		
Employer	Employees	Percentage of Total City Employment
Amherst Exempted Village Schools	684	6.78%
Nordson Corporation	573	5.68%
Ameritemps	455	4.51%
Giant Eagle	278	2.76%
Hospital for Orthopaedic & Specialty Serv.	234	2.32%
Nesco Service Company	230	2.28%
McDonald's Restaurants	189	1.87%
Amherst Manor	185	1.83%
City of Amherst	170	1.69%
Bob Evans Farms Restaurant	132	1.31%
Total	3,130	31.03%
Total Employment within the City	10,082	

1997		
Employer	Employees	Percentage of Total City Employment
Nordson Corporation	1084	12.71%
Amherst Exempted Village Schools	583	6.84%
Rini-Rego Supermarkets Inc.	307	3.60%
Hill's Department Store	240	2.81%
City of Amherst	209	2.45%
Bob Evans Farms Restaurant	176	2.06%
Sprenger Enterprises	173	2.03%
McDonald's Restaurants	129	1.51%
Kelly Services	120	1.41%
Denny's	120	1.41%
Total	3,141	36.83%
Total Employment within the City	8,527	

Source: Number of employees obtained from the W2's
from the City Tax Department

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

Year	Population (1)		Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2006	11,797	a	\$ 302,663,832	\$ 25,656	\$ 53,513	40.2	1,805	4,345	5.8%	\$ 165,150	\$ 323,199,756
2005	11,797	a	302,663,832	25,656	53,513	40.2	1,805	4,257	5.8	174,058	297,230,255
2004	11,797	a	302,663,832	25,656	53,513	40.2	1,805	4,232	6.2	161,117	293,139,475
2003	11,797	a	302,663,832	25,656	53,513	40.2	1,805	4,190	6.6	176,727	288,178,830
2002	11,797	a	302,663,832	25,656	53,513	40.2	1,805	3,967	7.1	161,025	265,294,320
2001	11,797	a	302,663,832	25,656	53,513	40.2	1,805	3,758	5.6	148,587	260,443,340
2000	11,797	a	302,663,832	25,656	53,513	40.2	1,805	3,873	5.4	147,745	254,911,401
1999	10,332	b	N/A	N/A	N/A	N/A	N/A	3,768	5.0	137,878	221,259,069
1998	10,332	b	N/A	N/A	N/A	N/A	N/A	3,732	3.6	133,289	214,119,800
1997	10,332	b	N/A	N/A	N/A	N/A	N/A	3,629	6.1	122,533	204,698,490

##

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Amherst Exempted Village Board of Education

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

(4) Source: County Auditor

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

N/A - Information not available

City of Amherst, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Five Years (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
Council	4.50	4.50	4.50	4.50	4.50
Finance	3.50	3.50	3.00	3.50	3.50
Tax	1.00	1.00	1.00	1.00	1.00
Law	1.50	1.50	1.50	1.50	1.50
Administration	2.50	2.50	2.50	2.50	2.50
Civil Service	2.00	2.00	2.00	2.00	2.00
Cable	0.00	0.00	0.50	0.50	0.50
Security of Persons and Property					
Police	22.50	22.50	22.00	22.50	22.00
Police - Dispatchers/Office/Other	10.00	9.00	9.00	8.00	9.00
Fire	17.50	17.00	17.00	18.00	17.00
Public Health Services					
Cemetery	2.50	2.50	2.00	4.00	3.50
Social Services	2.00	2.00	2.50	3.00	3.50
Leisure Time Activities					
Recreation	1.50	1.50	0.50	1.50	2.00
Community Development					
Building	4.00	4.00	4.50	4.00	4.00
Transportation					
Street M&R	6.00	8.00	8.00	8.00	8.00
Basic Utility Services					
Electric	8.00	8.00	7.00	5.00	6.00
Utility Office	5.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	4.00	4.00	5.00
Wastewater	9.00	9.00	9.00	9.00	8.00
Totals	108.00	108.50	105.50	107.50	108.50

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

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

(1) Information prior to 2002 is not available

City of Amherst, Ohio
Operating Indicators by Function/Program
Last Five Years (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	80	102	11	148	162
Number of Resolutions Passed	8	8	12	12	18
Number of Planning Commission docket items	27	31	28	N/A	N/A
Zoning Board of Appeals docket items	71	62	54	N/A	N/A
<i>Finance Department</i>					
Number of checks/ vouchers issued	3,595	3,897	3,652	3,381	3,788
Amount of checks written	\$ 27,187,148	\$ 30,980,308	\$ 28,156,561	\$ 24,223,222	\$ 15,348,014
Interest earnings for fiscal year (cash basis)	\$ 877,438	\$ 607,401	\$ 335,179	\$ 291,367	\$ 363,010
Number of Receipts issued	631	652	683	766	868
Number of Journal Entries issued	518	572	536	534	540
Number of Budget Adjustments issued	11	6	12	12	22
Agency Ratings - Standard & Poors					
Agency Ratings - Moody's Financial Services	A-2	N/A	N/A	N/A	N/A
Health Insurance Costs vs General Fund Expenditures %	6.40%	5.80%	5.50%	6.90%	6.60%
General Fund Receipts (cash basis in thousands)	\$ 4,917	\$ 4,563	\$ 8,022	\$ 5,273	\$ 4,521
General Fund Expenditures (cash basis in thousands)	\$ 4,878	\$ 4,822	\$ 8,588	\$ 4,918	\$ 4,408
General Fund Cash Balances (in thousands)	1,405	1,365	1,624	2,190	1,835
<i>Income Tax Department</i>					
Number of Individual Returns	5,315	5,364	5,361	5,217	5,085
Number of Business Returns	1,112	1,120	1,075	1,127	1,082
Number of business withholding accounts	966	986	1,016	98	1,008
Amount of Penalties and Interest Collected	\$ 24,728	\$ 27,466	\$ 32,064	\$ 33,444	\$ 21,422
Annual number of Corporate withholding forms processed	3,932	3,928	4,153	3,912	3,994
Annual number of balance due statements forms processed	3,600	2,800	2,000	2,000	1,500
Annual number of estimated payment forms processed	785	773	768	745	798
Annual number of reconciliations of withholdings processed	979	943	954	937	983
<i>Civil Service</i>					
Number of police entry tests administered	0	0	1	0	0
Number of police promotional tests administered	0	0	0	0	1
Number of fire promotional tests administered	0	0	0	1	0
Number of hires of Police Officers from certified lists	0	1	1	4	0
Number of promotions from police certified lists	0	0	0	0	1
Number of promotions from fire certified lists	0	0	0	1	0
<i>Building Department Indicators</i>					
Construction Permits Issued	841	958	1,004	1,133	1,104
Estimated Value of Construction	\$ 19,589,286	\$ 21,752,602	\$ 21,085,964	\$ 30,360,104	\$ 24,430,088
Amount of Revenue generated from permits	\$ 261,251	\$ 333,002	\$ 349,943	\$ 441,024	\$ 222,688
Number of contract registrations issued	408	162	163	133	130
Security of Persons & Property					
<i>Police</i>					
Total Calls for Services	10,675	11,462	12,844	12,508	11,565
Number of traffic citations issued	1,679	3,374	2,091	2,931	1,181
Number of parking citations issued	467	880	349	221	282
Number of criminal arrests	1,675	1,675	1,432	950	711
Number of accident reports completed	385	427	491	426	488
Police Dept. Auxiliary hours worked	1,999	2,269	2,184	N/A	N/A
DUI Arrests	130	142	186	161	100
Prisoners	110	N/A	N/A	N/A	N/A
Prisoner meal costs	\$ 7,904	9,892	3,319	8,625	4,694
Motor Vehicle Accidents	385	427	491	426	488
Fatalities from Motor Vehicle Accidents	1	0	0	0	0
Gasoline costs of fleet	\$ 48,708	39,765	32,830	26,639	26,057
Community Diversion Program Youths	83	74	82	51	N/A
Community Diversion Program - community service hours	498	444	492	306	N/A

(continued)

City of Amherst, Ohio
Operating Indicators by Function/Program (continued)
Last Five Years (1)

Function/Program	2006	2005	2004	2003	2002
Fire					
EMS Calls	121	210	217	86	N/A
Fire Calls	334	318	337	344	N/A
Fires with Loss	38	39	39	33	N/A
Fires with Losses exceeding \$10K	10	8	9	4	N/A
Fire Losses \$	\$ 94,500	\$ 662,400	\$ 748,000	\$ 209,130	N/A
Fire Safety Inspections	290	270	255	N/A	N/A
Number of times Mutual Aid given to Fire and EMS	20	10	8	9	N/A
Number of times Mutual Aid received for Fire and EMS	10	3	4	4	N/A
Public Health and Welfare					
Cemetery sale of lots	19	2	5	8	10
Cemetery receipts	\$ 21,062	\$ 10,989	\$ 12,714	\$ 10,812	\$ 16,817
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	\$ 60,086	\$ 56,092	\$ 52,389	\$ 50,359	\$ 63,927
Recreation Mens & Womens Leagues receipts	9,150	9,030	8,790	10,020	9,060
Senior Van Fees	2,968	1,781	944	1,189	1,164
Beaver Creek Facilities rentals	12,490	12,195	0	10,255	N/A
Total Recreation Department receipts	<u>\$84,694</u>	<u>\$79,098</u>	<u>\$62,123</u>	<u>\$71,823</u>	<u>\$74,151</u>
Community Development					
Grant amounts received due to Economic Development Dept.	\$ 151,518	\$ 340,984	\$ 149,360	\$ 149,188	\$ 229,269
Transportation					
Cost of salt purchased	\$ 42,892	\$ 106,654	\$ 114,271	\$ 113,767	\$ 86,866
Water Department					
Water Rates per 1st 3,000 gallons of water used	8.91	9.93	10.65	10.65	10.65
Avg. number of water accounts billed monthly (Cu. Ft.)	5,839	5,737	5,808	5,727	5,781
Total Water Collections Annually (Including P&I)	\$ 1,706,332	\$ 1,917,977	\$ 1,804,173	\$ 1,669,267	\$ 1,714,909
Payments to Elyria and Lorain for bulk water purchases	\$ 822,263	\$ 805,671	\$ 1,033,785	\$ 1,020,923	\$ 1,009,236
Wastewater Department					
Wastewater Rates per 1st 3,000 gallons of water used	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.954	1.097	0.897	0.848	0.712
Tons of dry sludge removed	282.31	263.67	161.05	271.09	246.30

(1) Information prior to 2002 is not available

N/A - Information not available.

City of Amherst, Ohio
Capital Assets Statistics by Function/Program
 2006

Function/Program	2006
General Government	
Square Footage Occupied	13,202
Administrative Vehicles	0
Inspection Vehicles	0
Municipal Court Vehicles	0
Lands & Buildings Vehicles	0
Police	
Stations	1
Square Footage of Building	20,000
Vehicles	19
Fire	
Stations	1
Square Footage of Building	18,050
Vehicles	10
Recreation	
Number of Parks	4
Number of Pools	1
Number of Ice Rinks	0
Number of Tennis Courts	0
Number of Skateboarding Areas	0
Number of Baseball Diamonds	0
Number of Tot Lots	0
Number of Soccer Fields	3
Square Footage of Ellenwood Building	2,800
Vehicles	3
Other Public Works	
Streets (miles)	71
Service Vehicles	15
Wastewater	
Sanitary Sewers (miles)	69.00
Storm Sewers (miles)	40.00
Vehicles	4
Water Department	
Water Lines (miles)	70
Vehicles	3

Information prior to 2006 is not available.



Mary Taylor, CPA
Auditor of State

CITY OF AMHERST

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 4, 2007**