

# CITY OF BEDFORD, OHIO



**C**OMPREHENSIVE

**A**NNUAL

**F**INANCIAL

**R**EPORT

For The Year Ended  
December 31, 2005







**Auditor of State  
Betty Montgomery**

Members of the City Council  
City of Bedford  
165 Center Road  
Bedford, Ohio 44146

We have reviewed the *Independent Auditors' Report* of the City of Bedford, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY  
Auditor of State

July 5, 2006

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*This report and its presentation are to honor the Bedford Automile Dealers Association which amongst its members represents 16% of the City of Bedford's revenue.*

*Formally organized in 1956, the Bedford Automile Dealers Association was established to join the dealers in the Broadway/Rockside Road Area into a common voice.*

*Together, these franchised new car dealers have established as their mission, the promotion of new and used car vehicle sales along with contributing to local charitable organizations. This provides a positive public impact within a community.*

*As the Association embarks on their 50<sup>th</sup> year, they have established an efficient way to promote each of their dealerships individually as well as creating synergy by joining hands as a group.*

*The Bedford Automile now stands as over 20 new car/truck franchises that extends approximately from the intersection of Broadway Avenue (route 14) and Rockside Road south 1/2 mile and east 1/2mile. Quite literally the largest selection of new and used vehicles anywhere in the state is found in one convenient destination.*

*For more information concerning the Bedford Automile Dealers Association please visit their website at [www.bedfordautomile.com](http://www.bedfordautomile.com).*



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*For the Fiscal Year Ended December 31, 2005*  
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# CITY OF BEDFORD OHIO

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May 19, 2006

Honorable Mayor Dan Pocek  
Members of City Council  
Citizens of Bedford, Ohio

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ended December 31, 2005 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The Comprehensive Annual Financial Report is presented in three sections:

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

**The Financial Section** which includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

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

The City has reviewed its reporting entity definition in order to insure compliance and conformance with the Governmental Accounting Standards Board Statement Number 14, "The Financial Reporting Entity." For financial reporting definition purposes, City management has considered all agencies, departments and organizations comprising the City of Bedford, the primary government and its potential component units.

The Bedford City School District, Bedford Community Development Corporation and the (Cleveland) Regional Transit Authority have not been included in the accompanying financial statements. The boards of these entities are not appointed by the City, nor is either fiscally dependent on the City of Bedford.

## **History of Bedford and Form of Government**

The City of Bedford, located in northeastern Ohio and southeast of Cleveland, has a good mix of business and industry as well as a long established residential community, and covers 5.6 square miles. The City's 2000 estimated population from the Federal Census was 14,214. The City was first established as a Township in 1797 and became a Village in 1837. It was incorporated as a City under Ohio Law in 1932 and operates under its own Charter, which was adopted that same year. The Charter provides that the City operate under the Council/Manager Form of Government. The City Manager, Law Director, Clerk of Council and Director of Finance are appointed by the seven-member elected Council. The City Manager is the Chief Administrative Officer of the City.

The City Manager, under the City Charter, has the authority to appoint and to remove all other administrative officers and employees. Other administrative officers include the positions of Directors of Service, Public Works and Recreation. Also, appointments to Building Commissioner and Police and Fire Chiefs are under his authority. The Police and Fire Chiefs also follow the Civil Service Commission appointment rules and procedures.

City Council holds its regular bi-monthly Council Meetings on the first and third Mondays of each month, with the exception of summer months when the City Council meets once a month, scheduled by Council before the summer months. The Charter provides procedures for special or emergency meetings, if the need arises. The City Manager, Director of Finance, Law Director and Council Clerk attend all Council Meetings. City Council generally meets in Committee of the Whole on these scheduled Monday evenings prior to the Council Meetings.

**The Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as DARE and the Juvenile diversion program. The Police Department is located adjacent to City Hall.

**The Fire Department** provides fire protection and emergency medical services (paramedic) to citizens, as well as placing strong emphasis on community involvement and education. A Chief and his assistant lead the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall.

**The Service Department** is comprised of several divisions administered by a Director and the Public Works Director. The service department is responsible for the maintenance of all City vehicles, street signs, and snow and leaf removal. The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains the water mains and bills all water users for the consumption of water on a monthly basis. The City, in the last ten years, has invested heavily in the improvement of its water system to tighten it from leaks or any loss of water in the system. Therefore, billings to the public in line with payments for water usage to the City of Cleveland are more accurately reflected. Another service provided is the storm/sanitary sewers maintenance for proper drainage control. The department assists with the writing of recycling grants and overseeing the contractors that collect waste and process recyclables. The parks division is also under the direction of the service department and maintains the City parks. The City utilizes the services of a forester to monitor tree plantings and removal of trees throughout the City. The City has received the award of Tree City, U.S.A., sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forestry Service.

The service department is responsible for all non-contractual street repairs. The City also owns and operates one cemetery.

**The Recreation Department** in addition to the basic services, continues to offer superior recreational facilities for its residents. The City operates four municipal playgrounds and tot lots, Hutchinson soccer/baseball/football Fields, a swimming pool, and the Ellenwood Recreation and Senior Citizens Center (a former grade school building which has been converted to a municipal recreation and senior citizen activity center). Included within the parks are the usual sports, playground and picnic facilities. The City abuts the Cuyahoga County Metroparks – Bedford Reservation Nature area. This provides even more recreational facilities including horseback riding trails, walking, hiking and biking trails and golf. The recreation department provides numerous courses and programs throughout the year. During summer months, the department operates the pool located on Lamson Drive where swimming lessons are also offered. The City owns the skateboard park also located on Lamson Drive.

**The Director of Economic and Community Development** is responsible for promoting the City to businesses while creating jobs and development within the City. This department also has the responsibility of writing grants for all major projects to achieve proper funding levels.

**The Finance Department** is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payrolls, and maintains a capital asset system. The department compiles the annual budget, prepares the Comprehensive Annual Financial Report and assists the Mayor, City Council and City Manager in all financial decisions.

**The Municipal Income Tax Department** is responsible for the collection of the municipal income tax from 10,000 resident returns, 2,500 business net profits returns and the collection from 2,000 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program as well as free preparation in house service for the municipal tax returns.

**The Law Department** advises the Mayor, Council, the City Manager and all departments on legal matters concerning the City. The department prepares all contract, legislation and legal documents. The Prosecutor is the Law Director and the law department has an assistant law director.

**The Building Department** is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections and licenses all contractors. The department works with qualifying residents to improve their housing through the CDBG housing grant program. This program provides funding for repairs at a slight cost to qualifying residents.

### **Economic Condition and Outlook**

The City of Bedford administration continues to be involved with the Bedford Community Development Corporation a 501C (3) organization dedicated to the renovation and expansion of its Historic Downtown Business District and at the same time help promote future growth and development of the entire City's industrial areas. The City of Bedford has on hand an Economic Development Director to promote economic and community development throughout the City of Bedford.

The City established an Enterprise Zone, which included all land within the boundaries of the City, in April of 1990. The City established a Community Reinvestment area in 1997 and updated this in 2005, which included all land within the boundaries of the City. The establishment of the Enterprise Zone and the Community Reinvestment area gave the City the ability to maintain and expand business located in the City and created new jobs.

The City is in progress to complete a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation has substantially completed the exterior of their building. This was constructed on a Brownfield site and the site is to be developed by receiving grants from the Cuyahoga County Brownfield Fund, Brush Wellman prior owners of the site, the State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI grant).

Ben Venue Laboratories, Inc., the City's largest employer, was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and is the 14<sup>th</sup> largest pharmaceutical company in the world having more than 36,000 employees with locations on every continent. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has many highly automated manufacturing facilities located in Columbus, Ohio (Roxanne Laboratories), Mexico City, Mexico and Barcelona Spain. On August 17, 2001 Ben Venue Laboratories was approved by the City for abatement in the Community Reinvestment area regarding Real Estate development and applied for a tax exemption on recovered property through the City's Enterprise Zone program. Ben Venue Laboratories expanded its facilities by 165,000 square feet for manufacturing operations of pharmaceutical products. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue has the number one market position in this core business and has the largest capacity for the manufacturing of lyophilized (freeze-dried) and vacuum-dried injectable drugs in the United States since 1995. Ben Venue obtained over 126 Abbreviated New Drug Applications ("ANDA") approvals for injectable drugs from the FDA, more than any other firm, and has become a major player in the injectable pharmaceutical industry. Ben Venue wishes to continue to work with the City, Cuyahoga County and the State of Ohio in adding value to the Community.

Ben Venue has previously entered into two agreements with the City for building expansions. The first agreement was in 1996. Ben Venue added over 50,000 square feet of office and plant expansion and committed to add 30 jobs over 60 months. Through June 30, 2001, or 5 years Ben Venue has added 152 jobs for this project. The second agreement was in 1999 when Ben Venue added approximately 44,000 square feet of office and plant expansion and new filling line. Through June 30, 2001, or in just 2 years, Ben Venue has added more than the 75 jobs it originally committed to add over 5 years. In the current abatement applications, Ben Venue already invested \$25 million in a new building (including 1 million in furniture and fixtures) and \$40 million in tangible personal property. The total investment including inventory will not be less than \$84.5 million at the projected site. Ben Venue has already created within a time frame of less than 5 years 300 new full time permanent jobs and will retain 691 existing full time jobs at the projected sites. The estimated new annual payroll for these new employees will add \$9 million and generate an additional \$202,500 in City income tax withholding. The annual payroll retained in existing jobs will be at \$26,766,804. The abatement agreement between the City, the Bedford City School District, Cuyahoga County and State of Ohio is as follows:

- The Enterprise Zone agreement for personal property is 100 percent for the first seven years and 80 percent for 3 final years starting January 1, 2001 (10 years total).
- The Community reinvestment area abatement on Real estate construction will be 100 percent for the first 7 years and 80 percent for the final 8 years (15 years total).
- The City will share 30 percent of the increased payroll withholding taxes through the abatement period with the school district. The City will benefit solely on any net profit tax that is obtained through the Company's operations annually.

Ben Venue, on May 2, 2005, signed a Community Reinvestment Agreement with the City for the construction of a new building referred to as Phase V. The investment by Ben Venue into the construction of the new building is estimated to be \$20 million and the equipment and fixtures will entail an investment of \$48.5 million, as well as adding an additional \$1.5 million in inventory levels. This expansion project is estimated to require the hiring of an additional 125 employees with an increase in payroll of 4.4 million dollars.

Phase V expansion will contain space for one filling line, one lyo capping line, six freeze dryers and a small equipment prep area with a stopper washer, hot air oven and autoclave on the first floor. Compounding rooms, QC labs, Micro Labs and locker rooms will reside on the second floor. A penthouse on the roof will provide mechanical space. Space will also be available for a second filling line. The Phase V building is approximately 80,700 square feet, with 36,600 square feet on the first floor, and 35,600 square feet on the second floor and an 8,500 square feet penthouse (mechanical room).

The Ganley Real Estate Company expects to construct a new 34,000 square foot (\$2.04 million) building to expand its **Volkswagen** operations. The company intends to purchase \$925,000 in new machinery and equipment, \$75,000 in furniture and fixtures and \$4,000,000 in new inventory. The total investment shall not be less than \$6 million. Equipment transferred from another city will total \$600,000. The Company is expected to create 50 new jobs and retain the 42 jobs already existing in Ohio for an additional payroll of \$1.9 million.

The Ganley Real Estate Company expects to also construct a new approximately 4,800 square foot building to expand its **Suzuki** operations. The company intends to invest \$3.84 million in buildings, new machinery and equipment and furniture and fixtures. Inventory will also be added. The Company is expected to create 30 new jobs and create an additional payroll of \$1.4 million. The City utilized our Jobs creation program in lieu of an abatement affecting the school district as an incentive to do business in the City. The City will grant 6 years of property tax abatement based upon payroll and income taxes reported at year-end.

The Ganley Real Estate Company expects to construct a new approximately 8,100 square foot building to expand its **Subaru** operations. The company intends to invest \$6.48 million in buildings and a service center, new machinery and equipment and furniture and fixtures. Inventory will also be added. The Company is expected to create 35 new jobs and create an additional payroll of \$1.6 million. The City utilized our Jobs creation program in lieu of an abatement affecting the school district as an incentive to do business in the City. The City will grant 6 years of property tax abatement based upon the payroll and income taxes reported at year-end.

The University Hospitals Health Systems, Bedford Community Hospital over the past 3 years and with future plans will have invested \$12.5 million in improvements. These improvements include an MRI expansion and new equipment for \$1.9 million, an ED expansion for \$1.0 million, a CT acquisition for \$3.2 million, lobby renovations for \$200,000, and another \$500,000 in 2004-2005 Capital Allocation. The Hospital administration, by compiling demographics of the immediate area and analyzing future needs, has decided to create a Cardiovascular Unit and construct these improvements at an estimated cost of \$5.7 million.

The Light of Hearts Villa assisted living facility started an expansion to its facilities in 2005. The project is estimated to cost \$2.5 million. This project is to be completed in 2006.

Masserati of Cleveland/Bedford Collision Center, completed a new expansion spending \$1,500,000-\$1,750,000 in total investment in a new facility. With this investment they will create 15-20 new jobs and create a payroll of \$980,000. The City utilized our Jobs creation program in lieu of an abatement affecting the school district as an incentive to do business in the City. The City will grant 5 years of property tax abatement based upon the payroll and income taxes reported at year-end.

The Uptown Bedford Retail Strip was constructed on Broadway Avenue and has full occupancy at the end of 2005. This project constructed retail stores including Zeppes Pizza.

The City's administration was informed in April, 2006, that a 217,572 square feet Wal-Mart Superstore would be constructed at the Meadowbrook Market Square. The store will sell general merchandise and groceries. Some of the amenities include a drive-thru Pharmacy, drive-thru Garden Center, and a Tire and Lube Express. The Store will be open 24 hours with three shifts. The number of employees is estimated to be 400 and the cost to construct this Superstore is expected to be \$6,398,218.

The County will be performing its six-year reappraisal of industry and residential property values in 2006. The past valuations have increased property values by an average of 7 percent.

The next few years finds the City's economic condition and outlook to be of great strength with all the business growth and value of properties as listed above.

## **Major Initiatives**

During the year ended December 31, 2005, the City completed or made substantial progress toward several major goals or projects.

In 1999, the City issued 5 million dollars of General Obligation Bonds to partially fund the construction of a new municipal center. The City issued its final debt regarding the new municipal center. There were two bond issues in 2002, a \$5.2 million related to the income tax increase and a \$2 million that the Bedford Municipal court has backed for payment with court fees. In conjunction with these bond sales, the City received an up graded rating from Moody's Investor Services in 1999 and maintained these ratings to date. The new rating from Moody's Investors Service was an A-1 and Standard & Poor's awarded an A+ credit.

The City realized its eleventh-year of wastewater saving from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5 percent more than the City is charging today (over \$2,200,000 has been saved to date).

The Tax Department continued the innovation award winning on-line income tax preparation system during the 2005 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of this system found it accurate and available for use 24 hours a day. The program allows the taxpayer convenience of this preparation in the comfort of their home or office.

The City utilized its own water department personnel and the engineering services of Central Engineering Incorporated in the attempts to locate water leaks in the water lines. The result of their endeavors was finding various leaks that led to a tightening in the percentage of water billed to the City from the Cleveland Water System versus the amount of water used by residents and businesses in the City by 2.93 percent. The cost of the contract was \$12,800 and the estimated savings to the City and residents was \$76,665.

### **Future and completed projects that required the City to apply for various grants are:**

The City takes pride in its downtown shopping area and promotes community and economic development opportunities for businesses. In the year 2001 the City received \$124,000 in a Community Development Block Grant (CDBG). In 2002 and 2003, the City applied for two CDBG grants of \$150,000 each and a NOACA Streetscape grant of \$340,500 to completely rehabilitate the sidewalks and enhance the downtown with trees, brick pavers, and lighting. The City committed the matching resources (\$535,500), therefore completing the project in 2005 at approximately \$1.3 million. Due to the City's commitment of enhancing the downtown area, building owners have followed suit. They have improved the looks of their storefronts and installed awnings with the help of the City's non-tax revenues at a cost of \$15,000. Included in the community development block grants is the money to allow conduit and utility lines to be buried underground in the downtown Historic District shopping area.

The City has met with the Cuyahoga County Economic Development Department and we received a \$4 million Brownfield Economic Development Initiative Grant (BEDI) for the Brush-Wellmon Site (Tinkers Creek Commerce Park). The 49 acres of land, which is a Brownfield site, is set aside for development of commercial and industrial business. The City has four companies that want to expand on this parcel as soon as the construction of infrastructure is started. One of the companies as stated earlier is the Taylor Chair Company, the oldest furniture manufacturing plant in Ohio's history (189 years). They will be relocating 40 jobs to the new site and adding an additional 20-25 jobs in the next five years. The City will be working with the State of Ohio Department of Development as we received a Roadwork Development Account 629 Grant in the amount of \$850,000 to complete the infrastructure improvements. The City will be also working hand in hand with the Hemisphere Corporation in completing this project.

The City applied for and received a grant through the Ohio Department of Transportation for the resurfacing of Broadway Avenue. This project was completed by O.D.O.T. at an estimated cost of \$1,030,000. The City's responsibility is 20 percent or approximately \$210,000.

The City was awarded a grant of \$76,548 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. The program was changed to a calendar year end grant. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's total funding from all sources was \$304,732.

The City's fire department continuance of ambulance runs in the year 2005 generated a total of \$390,749 in 2005, \$282,012 in 2004 and \$252,084 in 2003 net of the administrative billing costs. The fire department had a balance of \$28,164 from a FEMA Grant applied for and received for various safety equipment purchases.

The City received from the Ford Foundation an Elderly Friendly Grant in the amount of \$25,000. This grant involved various local communities in a survey of elderly needs in the communities.

### **Construction Projects:**

The Washington Street Improvement was started in 2005. The City received a Community Development Block Grant towards this construction in the amount of \$150,000. The costs of this project are expected to be as follows: \$912,680 for road improvements, the amount spent on the road portion to date was \$880,821, water line replacement is estimated to cost \$355,702, with costs paid to date in the amount of \$351,926 and the sanitary sewer replacement is expected to cost \$27,500 and \$27,500 has been spent to date.

The City sold general obligation notes to pay for the road and water improvements in the amount of \$1,200,000, consisting of \$592,000 for the road portion and \$608,000 for water lines. The water line borrowings were as follows: \$348,150 for Washington Street, \$44,000 for Tinkers Creek Water Main and \$216,000 for the Forbes Road Water Main improvement. The City was required to increase the water rates minimally, by 3 percent over the next 3 years to pay for the Washington Street and the improvements of the Forbes Road and Tinkers Creek water main improvements.

The City finalized its costs of the Signalization project for traffic lights at a cost of \$124,955.

Broadway Avenue was resurfaced and new handicap ramps were installed at a cost to the City of \$88,710. The total costs of the project were approximately \$1.2 million, with ODOT picking up the difference in cost.

The City completed the Northfield Road resurfacing project. The City's portion of the project was \$177,538 and the total cost of the project was estimated at around \$1,608,000 with the Ohio Department of Transportation picking up the difference in cost.

The Forbes Road reconstruction project was completed in 2005. The total construction costs were \$592,500. The roadway cost \$270,635 and the waterline cost \$321,865. The City received \$150,000 from CDBG grant funds and the Cuyahoga County Engineer split the roadway costs 50/50 and paid \$123,608. The Village of Oakwood will match this project with funds to be paid in the amount of \$30,902 to the City in 2006 and \$30,902 in 2007.

The City completed the construction of the Rapid Sandfilter project and the Oxidation Tower Construction project within the grant and loans received from OWDA and OPWC. The City had applied for and received EPA loans for the Rapid Sand-filter system and the Oxidation Tower project in the amount of \$2,427,022 and \$822,286, respectively.

The City received the full loan for the Rapid Sand-filter project. The City received a grant for \$945,000 (50 percent) for the oxidation tower project and a zero percent loan for \$822,286. The City's matching portion towards the oxidation tower is \$196,365 and the total cost was \$1,963,650.



The City received a \$248,850 grant and \$248,850 zero percent loan from the Ohio Public Works Commission towards the Gravity Sludge Thickener Project. The Wastewater plant started the improvement of the Sludge Thickener in 2005. The cost of the project is expected to be \$571,884 with \$22,982 having been spent by year end.

## **Financial Information**

### **Accounting policies and budgetary control**

The City of Bedford utilizes automated governmental accounting software developed and licensed by Software Solutions Incorporated (SSI). This software controls budgetary, accounting, payroll and capital assets. The City utilizes a software package for utility billing developed by Fund Balance Inc.

The City's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. These funds are segregated for the purposes of carrying on specific activities or attaining certain objectives in accordance with the special regulations, restrictions, or limitations. Generally accepted accounting principles determine the type of funds used.

The level of budgetary control is at the department level. All non-fiduciary funds are budgeted annually. The City also controls its expenditures at levels of personal services and all other expenditures as required by the City's Charter. The City did have amendments to the original appropriations ordinance to account for new funds and increased grants received during 2005.

The Finance Director is authorized to transfer appropriations between line items within the personal services and all other expenditure levels within a department. Any increase in the total appropriation for a department or transfers between levels within a department must be approved by City Council. The City's fully automated financial system maintains the budgetary control through its purchase order/encumbrance feature. The purchase order, required before making any purchase, is reviewed for certification of the availability of funds and the estimated expenditure is encumbered against the available appropriation. Encumbrances which would exceed the available appropriation are not approved or recorded until City Council authorizes additional appropriations. Encumbrances do not lapse at year-end and are a reserve of fund equity, which is carried forward into the next year.

### **Internal accounting and reporting control**

As part of its continuing commitment to excellence in financial reporting, the City utilizes a fully integrated, computerized financial accounting, budgeting and reporting system. Because the system is integrated, the financial and budgetary information maintained by the system is available to the City's management on a daily basis. The timeliness and accuracy of the information provided by the City's accounting, budgeting and reporting system provides each member of the City's management with a solid, informed financial basis for daily decision-making, performance evaluation and planning.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed within the framework of the concept of reasonable assurance.

This concept recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal controls occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.



## **Financial Reporting**

The City has prepared financial statements under the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments". GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

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

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

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

As part of this new reporting model, management is responsible for preparing Management's Discussion and Analysis of the City. This discussion appears after the Independent Accountants' Report in the financial section of this report. Management's Discussion and Analysis provides an assessment of the City's finances for 2005. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

### **Financial Highlights – Internal Service Fund**

The only internal service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of vision, dental, prescription drug and hospital/medical benefits to the City employees. The internal service fund had net assets of (\$4,970) at December 31, 2005 compared with net assets of (\$131,994) at December 31, 2004, reflecting a change in net assets of \$127,024. This fund did maintain a small cash balance; however, due to an extraordinary usage of the health plan by our employees, the ending net assets level for 2005 turned negative. Management is currently analyzing the Health Insurance internal service fund's operations to determine appropriate steps to alleviate the deficit.

### **Cash Management**

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income during 2005 was \$343,579.

The City maintains an investment board consisting of the City Manager, Law Director and Director of Finance. They meet weekly to plan investment strategy, utilizing cash flow analysis programs for maximum investment yield in line with cash flow needs and the City's investment policy.

## **Risk Management**

The City of Bedford's Finance Department coordinates comprehensive general liability, automobile physical damage and liability, property, boiler and machinery, fire fighters errors and omissions, ambulance professional, miscellaneous floater and money and securities insurance through the Ohio Municipal League Pool (OML). The City joined this pool in 1993. The City and OML pool use three important criteria for the Insurance Program:

- Cost
- Extended Coverage
- Continuity of Coverage and Carriers

The City carries a blanket bond on all employees for \$25,000 in line with collections and a faithful performance bond on the City's Director of Finance, Law Director and City Manager in the amount of \$100,000 and \$250,000 for the Clerk of Courts.

## **Independent Audit**

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. Ciuni & Panichi, Inc., performed these services for 2005, and an unqualified opinion is presented in the financial section.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting standards and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The 2004 CAFR received the Certificate of Achievement and we believe our current report will conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2005 Comprehensive Annual Report to the GFOA for award consideration.

## **Acknowledgments**

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors, but especially to those employees in the Department of Finance and the employees of the Local Government Services Section of the Auditor of State, which contributed significantly to the preparation of this report. Finally, City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

**Postscript**

The employees of the City of Bedford are proud of the Community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of the City, and we commit ourselves to enhancing the quality of life that our residents have come to expect and enjoy.

Respectfully submitted,



Frank C. Gambosi, CPA  
Finance Director



Robert R. Reid  
City Manager

**City of Bedford, Ohio**  
*List of Principal Officials*  
*December 31, 2005*

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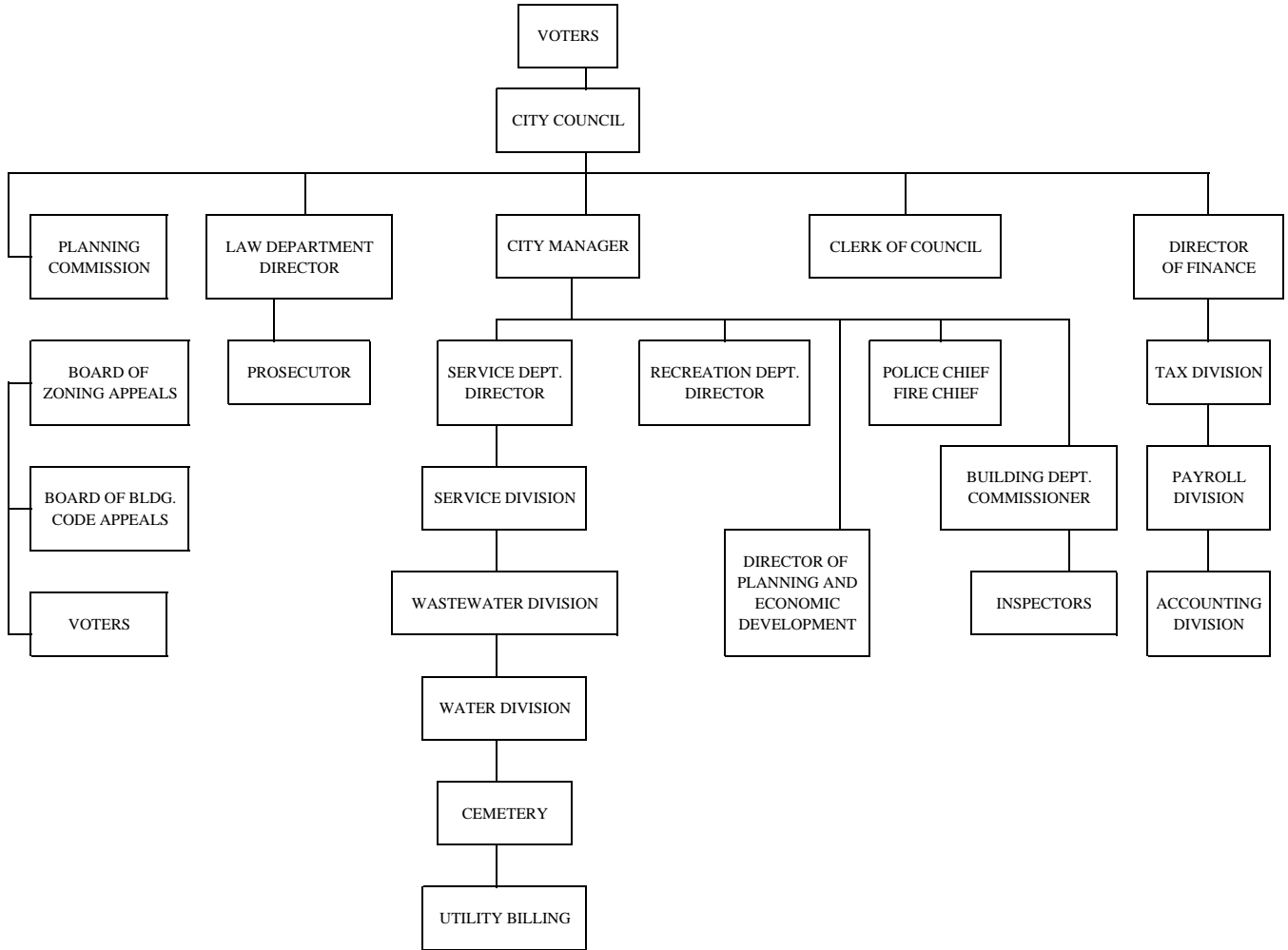
***Elected Officials***

Mayor..... Dan Pocek  
Vice Mayor ..... Marilyn B. Zolata  
Council Member ..... Paula Mizak  
Council Member ..... Donald A. Saunders  
Council Member ..... Gregory E. Pozar  
Council Member ..... Stanley Koci  
Council Member ..... Ronald A. Lisy  
Presiding Judge ..... Peter J. Junkin  
Municipal Judge..... Brian J. Melling

***Appointed Officials***

City Manager ..... Robert R. Reid  
Director of Finance ..... Frank C. Gambosi  
Director of Law/Prosecutor..... Kenneth A. Schuman  
Clerk of Council..... Gayle C. Pastor  
Building Commissioner ..... Philip A. Seybolt  
Service Director ..... Clint E. Bellar  
Superintendent of Public Works ..... Robert L. Duber  
Chief of Fire..... Kenneth A. Rybka  
Police Chief..... Gregory A. Duber  
Director of Recreation ..... Randall J. Lewis

**ORGANIZATIONAL CHART  
CITY OF BEDFORD, OHIO**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford,  
Ohio

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

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



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

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## Independent Auditors' Report

Members of the City Council  
Bedford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Bedford'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 Bedford as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General and Fire Medic Levy Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2005, the City implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2006 on our consideration of the City of Bedford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not express an opinion on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of the City Council  
Bedford, Ohio

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

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

*Cini & Panichi, Inc.*

Cleveland, Ohio  
May 19, 2006

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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The discussion and analysis of the City of Bedford's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's financial performance.

***Financial Highlights***

- Total assets of the City of Bedford exceeded liabilities at the close of the most recent year (2005) by \$51,879,738 compared to \$50,804,787 at the end of 2004. Of this amount \$14,555,859 (2005) and \$12,197,459 (2004) may be used to meet the government's ongoing obligations to citizens and creditors provided it is expended or transferred according to the charter of the City of Bedford and/or the general laws of Ohio.
- Capital assets of Business Type Activities increased by \$100,167 that represents a slight increase .75 percent over 2004. Total Capital Assets decreased from \$55,564,752 to \$54,803,178 or \$761,574, a 1.37 percent decrease from 2004.
- Total assets increased by \$741,233 due to more cash on hand and due to increased income tax collections (\$2,073,179), the increases in receivables due from income taxes (\$820,698) and Federal, State and Local government grants at year-end . The Income Tax Department has stepped up its efforts in finding delinquent taxpayers, accounting for the larger receivables. The income tax department has collected more internally and from utilizing the efforts of outside collection agencies to collect delinquent accounts.
- As of the close of the current year, the City of Bedford's governmental funds (Balance Sheet) reported combined ending fund balances of \$13,391,041, an increase of \$640,385 in comparison with the prior year's \$12,750,656. This was due to an increase in income tax receivables at year-end, and a \$425,993 intergovernmental receivable from the State of Ohio. This was an Industrial Development 629 Street grant for the Development of the Tinkers Creek Commerce Industrial Park. Approximately 91 percent of this fund balance is *available for spending* at the government's discretion limited by the State or Federal government grant restrictions or the conditions of the tax levy (*unreserved fund balance*).
- The City of Bedford's total debt decreased by \$40,643, during the current year. The key factors in this decrease were the payments of principal due on the OWDA loans and general obligation bonds. The City also increased its debt in the community development block grant fund and the water fund by issuing notes in the amount of \$591,850 and \$608,150 respectively for the Washington Street Rehabilitation Project which includes a new road, water line, the Tinkers Creek Industrial Park water line, and the Forbes Road water line.
- The total municipal income tax revenues for all governmental funds in 2005 were \$11,715,253 versus \$9,642,074 in 2004. This equates to a \$2,073,179 (21.50 percent) increase in revenue. On the cash basis of accounting, the municipal net profits income taxes paid by one of our largest taxpayers had increased from \$2,056,000 in 2004 to \$2,763,750 in 2005. This was an increase of \$707,750 or 34.42 percent. This same taxpayer's employee withholding tax payments had increased from \$997,599 in 2004 to \$1,283,037, which is a 28.61 percent increase. This is well above the local rate of inflation for our area, which at year-end was at a CPI of 3.61 percent.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the City of Bedford's basic financial statements. The City of Bedford's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Bedford's finances, in a manner similar to private sector businesses. The *statement of net assets* and *statement of activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements look at the City's most significant funds with all other nonmajor funds presented in total in one column.

The *statement of net assets* presents information on all of the City of Bedford's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Bedford is improving or deteriorating. The *statement of activities* presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City of Bedford that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Bedford include general government, security of persons and property (Police and Fire), public health and welfare, leisure time activities, community development, transportation and basic utility services. The business-type activities include water and wastewater.

The government –wide financial statements can be found starting on page 17 of this report.

**Fund financial statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bedford, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bedford can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*. The City of Bedford maintains twenty-eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, fire medic levy special revenue fund, and the special assessment bond retirement debt service fund all of which are considered to be major funds. Data from the other twenty-five governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City of Bedford adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided as supplementary information for each governmental and proprietary fund to demonstrate budgetary compliance.

**Proprietary Funds** The City of Bedford maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance program of health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the water and wastewater operations as they are considered major funds. The internal service fund is for self-insurance for health benefits. The basic proprietary fund financial statements can be found on pages 26 through 29 of this report.

**Notes to the Basic Financial Statements** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 57 of this report.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 60 of this report.

**Government-Wide Financial Analysis** While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this 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 change in assets is 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 Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
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The Statement of Net Assets and the Statement of Activities are divided into the following categories:

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

**The City of Bedford as a Whole**

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

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Assets</b>						
Current and Other Assets	\$22,763,193	\$21,489,793	\$5,071,101	\$4,841,694	\$27,834,294	\$26,331,487
Capital Assets, Net	41,289,520	42,151,261	13,513,658	13,413,491	54,803,178	55,564,752
<i>Total Assets</i>	64,052,713	63,641,054	18,584,759	18,255,185	82,637,472	81,896,239
<b>Liabilities</b>						
Current and Other Liabilities	5,891,858	5,539,679	998,116	504,459	6,889,974	6,044,138
Long-Term Liabilities:						
Due Within One Year	869,473	787,689	898,615	892,505	1,768,088	1,680,194
Due in More than One Year	12,589,755	13,108,522	9,509,917	10,258,598	22,099,672	23,367,120
<i>Total Liabilities</i>	19,351,086	19,435,890	11,406,648	11,655,562	30,757,734	31,091,452
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Debt	29,561,437	29,950,309	2,842,724	2,638,318	32,404,161	32,588,627
Restricted:						
Capital Projects	1,356,429	1,719,410	0	0	1,356,429	1,719,410
Debt Service	1,143,792	1,247,181	0	0	1,143,792	1,247,181
Fire	423,999	362,312	0	0	423,999	362,312
Streets	1,294,088	1,371,972	0	0	1,294,088	1,371,972
Other Purposes	701,410	1,317,826	0	0	701,410	1,317,826
Unrestricted	10,220,472	8,236,154	4,335,387	3,961,305	14,555,859	12,197,459
<i>Total Net Assets</i>	\$44,701,627	\$44,205,164	\$7,178,111	\$6,599,623	\$51,879,738	\$50,804,787

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Bedford, total assets exceed total liabilities by \$50,804,787 at December 31, 2004 and \$51,879,738 at the close of the most recent year.

The largest portion of the City's net assets (62.5 percent) reflects investments in capital assets (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$741,233 from 2004 to 2005, while the City's total liabilities decreased by \$333,718. The most significant changes in total assets were an increase in intergovernmental receivables \$1,322,471, an increase in income taxes receivable \$820,698 and an increase in equity in pooled cash and cash equivalents \$276,685. The most significant decreases in assets were the cash and cash equivalents with fiscal agents (\$167,384), the accounts receivable decrease in the amount of \$583,710, a decrease in special assessments receivable (\$222,679), and a decrease in depreciable capital assets in the amount of \$1,215,125. during the year. The reasons for the intergovernmental receivables and income taxes receivable changes were stated previously. The decrease change in cash and cash equivalents with fiscal agents was due to the completing of major projects in 2005 that were started and in progress in 2004 and the City made payouts of retainage accounts and therefore decreased the cash in accounts at year-end. Other items affecting the results were a decrease in depreciable assets due to the depreciation expense increasing from the previous year's construction and less construction of assets in 2005. The increase in liabilities was mainly due to the note borrowings in 2005. The long-term liabilities decreased due to the payment of the general obligation bond issues of \$558,345 and the payment of OWDA principal in the amount of \$580,600.

At the end of the current year, the City of Bedford is able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities.

Our total net assets of the City's governmental activities increased \$496,463 during the current year. Most of this increase is due to the result of receiving more municipal income tax collections and more State shared revenues. Due to the State of Ohio's budget problems, and the Ohio's legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has increased the inheritance tax level of reporting for residents from \$25,000 to \$338,000. This has had and will have a future effect on the revenue stream in the City for any one year. This change in taxation led to a loss of inheritance tax revenue of \$512,303 yearly since 1999. The State of Ohio has also adopted House Bill 66 in an attempt to balance their budget to reduce and phase-out the Personal Property Tax by 100 percent over the next 4 years. The State of Ohio passed a Commercial Activities Tax (CAT) to allow the State to reimburse the City for 4 years. The State of Ohio will reimburse the City for the loss of tangible personal property taxes as a result of the changes in HB 66 within certain limitations. The City of Bedford's estimated loss after 4 years is expected to be \$626,000 each year. The State of Ohio has also decreased the local government revenue funds sent to the cities in 2005 by 10 percent and has affected the City revenue by the amount of \$72,958 each year. The State of Ohio has also eliminated the exempt valuation portion of our personal property tax returns (\$10,000 per return) that was reimbursed by the State and paid to the City. This has also led to a decrease in revenue in the City of approximately \$28,000\_per year. The balance of the increase in net assets is due to the degree in which increases in ongoing revenues have become more than the increases in ongoing expenses.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2004 and 2003.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

(Table 2)  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$2,542,307	\$2,632,156	\$5,550,445	\$5,273,180	\$8,092,752	\$7,905,336
Operating Grants and Contributions	1,193,539	1,105,857	0	0	1,193,539	1,105,857
Capital Grants and Contributions	425,995	383,865	8,646	714,635	434,641	1,098,500
<b>Total Program Revenues</b>	<b>4,161,841</b>	<b>4,121,878</b>	<b>5,559,091</b>	<b>5,987,815</b>	<b>9,720,932</b>	<b>10,109,693</b>
<b>General Revenues</b>						
Property Taxes	3,433,552	3,403,650	0	0	3,433,552	3,403,650
Municipal Income Taxes	11,279,471	9,249,995	435,782	392,079	11,715,253	9,642,074
Grants and Entitlements not Restricted to Specific Programs	1,925,920	1,743,683	0	0	1,925,920	1,743,683
Investment Income	255,900	150,677	87,679	47,286	343,579	197,963
Gain on Sale of Capital Assets	80,398	1,900	0	0	80,398	1,900
Miscellaneous	399,247	319,839	23,426	6,074	422,673	325,913
<b>Total General Revenues</b>	<b>17,374,488</b>	<b>14,869,744</b>	<b>546,887</b>	<b>445,439</b>	<b>17,921,375</b>	<b>15,315,183</b>
<b>Total Revenues</b>	<b>\$21,536,329</b>	<b>\$18,991,622</b>	<b>\$6,105,978</b>	<b>\$6,433,254</b>	<b>\$27,642,307</b>	<b>\$25,424,876</b>
<b>Program Expenses</b>						
General Government	4,513,961	4,843,345	0	0	4,513,961	4,843,345
Security of Persons and Property						
Police	4,696,595	4,719,423	0	0	4,696,595	4,719,423
Fire	3,264,023	3,391,320	0	0	3,264,023	3,391,320
Public Health and Welfare	165,278	209,642	0	0	165,278	209,642
Leisure Time Activities	1,515,957	1,394,766	0	0	1,515,957	1,394,766
Community Development	711,271	976,913	0	0	711,271	976,913
Basic Utility Services	746,633	763,373	0	0	746,633	763,373
Transportation	4,815,778	4,263,114	0	0	4,815,778	4,263,114
Interest and Fiscal Charges	610,370	605,446	0	0	610,370	605,446
Water	0	0	3,277,619	3,171,606	3,277,619	3,171,606
Wastewater	0	0	2,249,871	2,278,779	2,249,871	2,278,779
<b>Total Program Expenses</b>	<b>21,039,866</b>	<b>21,167,342</b>	<b>5,527,490</b>	<b>5,450,385</b>	<b>26,567,356</b>	<b>26,617,727</b>
Increase (Decrease) in Net Assets	496,463	(2,175,720)	578,488	982,869	1,074,951	(1,192,851)
Net Assets Beginning of Year	44,205,164	46,380,884	6,599,623	5,616,754	50,804,787	51,997,638
Net Assets End of Year	<u>\$44,701,627</u>	<u>\$44,205,164</u>	<u>\$7,178,111</u>	<u>\$6,599,623</u>	<u>\$51,879,738</u>	<u>\$50,804,787</u>

**Governmental Activities**

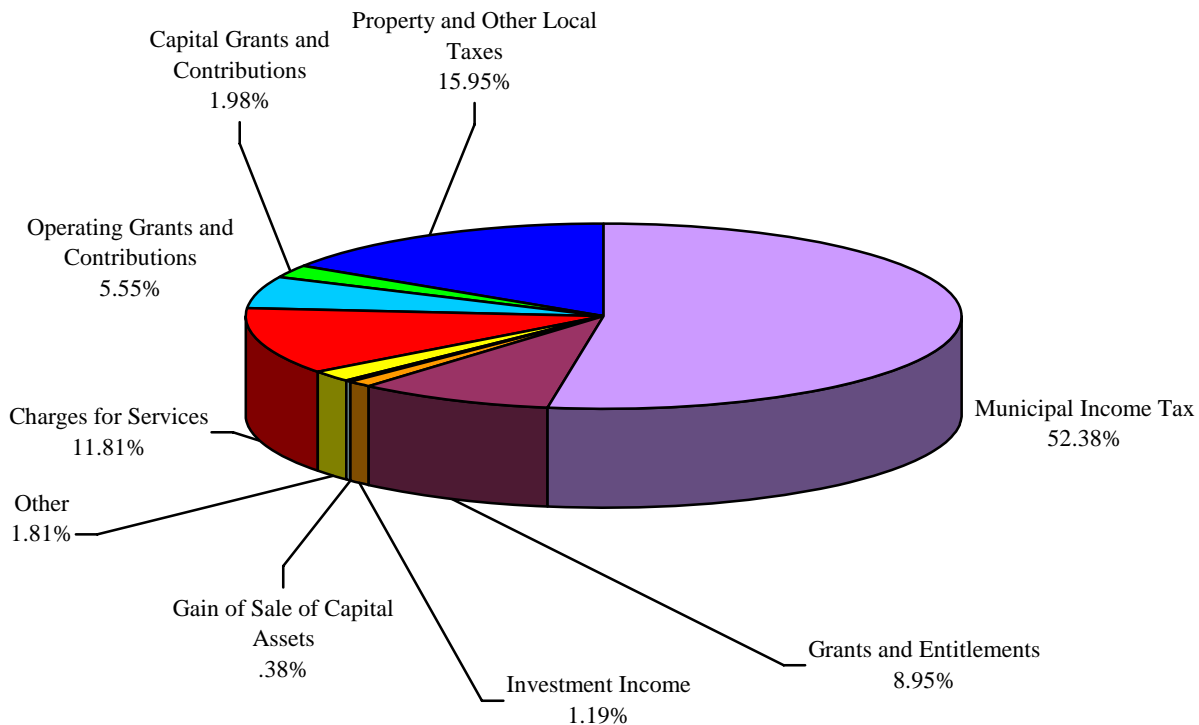
Governmental activities increased the City's net assets from \$44,205,164 to \$44,701,627 or by the amount of \$496,463. The business-type activities increased total net assets from \$6,599,623 to \$7,178,111 or \$578,488. This allowed for the overall increased growth in the total net assets of \$1,074,951. The primary reason for the increase in net assets relates to the increase in revenues in the municipal income tax revenues and operating



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grants. The cost increases in transportation are attributable to the union wage increases, health benefit costs, and snow removal costs (salt purchases and overtime). Several types of revenues fund our governmental activities, with the City income tax being the largest contributor. The income tax rate was 2.25 percent for 2005, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides up to 100 percent credit to a limit of 1.50 percent for those who pay income tax to another City. City Council could, by Ordinance, chose to vary that income tax credit and create additional revenues for the City.

**Revenues by Source - Governmental Activities**



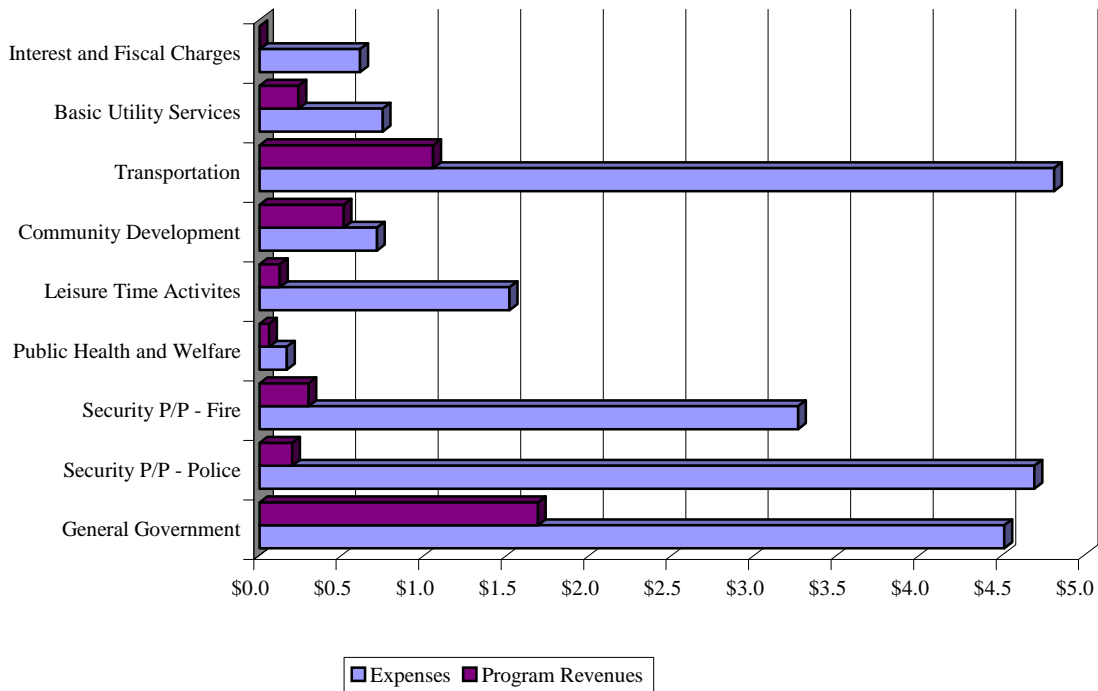
The income tax revenue for 2005 and 2004 were \$11,279,471 and \$9,249,995 respectively for governmental activities. Of the \$21,536,329 and \$18,991,622 for 2005 and 2004 respectively, in total governmental revenues, income tax accounts for 52.37 and 48.71 percent of that total respectively. Property taxes of \$3,433,552 account for 15.94 percent of total revenues, and operating grants, capital grants and contributions, general revenues from grants and entitlements account for 16.46 percent of total revenues, and charges for services, and other revenue make up the remaining 15.23 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. With the combination of property tax, income tax and intergovernmental funding exceeded all expenses in the governmental activities by an amount of \$496,463. The City monitors its source of revenues very closely for fluctuations.

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For the most part, increases in expenses closely parallel inflation and growth in the demand for services. One exception was transportation costs in 2005, there was a record snowy winter in 2005 and the need for a record use of road salt and overtime to clear the roads. The City maintains funding for two major storm winters at all times. The largest program function for the City relates to the security of persons and property police and fire program expenses. During 2005 \$7,960,618 was spent or 37.84 percent of program expenses related to security of persons and property as compared to 2004 when \$8,110,743 was spent or 38.3 percent. The second largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. In 2005, 22.9 percent of program expenses were related to the transportation system compared to 20.1 percent in 2004. The third largest expense was the general government expenses. Most of these expenses were for the operations of the municipal court and administration of City Hall. In 2005, 21.5 percent of program expenses went for general government activities as compared to 22.9 percent spent on this program for 2004.

**Expenses and Program Revenues - Governmental Activities (millions)**

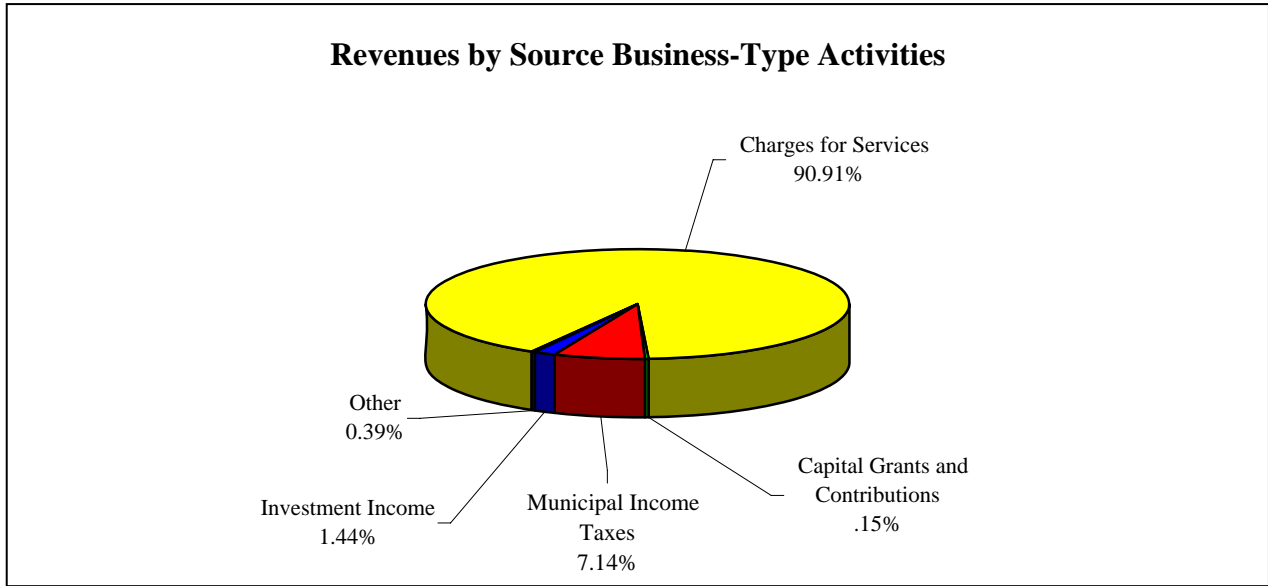


Leisure time activities, primarily the expenses for the Ellenwood Recreation Center and the outdoor pool, accounted for 7.21 percent in 2005, 6.6 percent in 2004 and 6.52 percent in 2003 of total program expenses, and slightly behind is basic utility services at 3.55 percent in 2005, 3.61 percent in 2004 compared to 4.8 percent in 2003 of total program expenses. The community development expenses were decreased due to the timing of expenses of grant funds (CDBG).

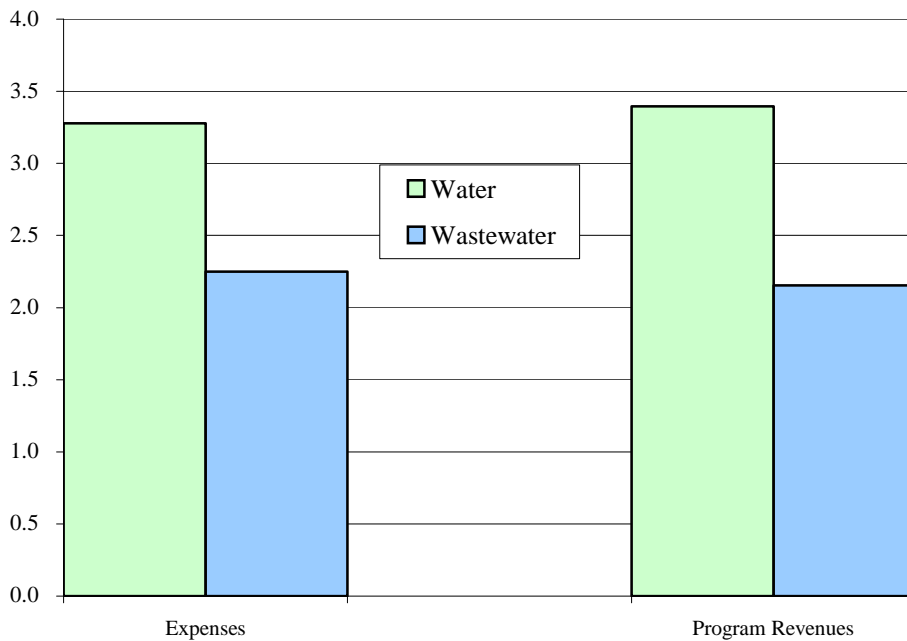
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**Business-Type Activities**

The business-type activities of the City, which include the City's water and wastewater operations increased the City's net assets by \$578,488.



**EXPENSES AND PROGRAM REVENUES - BUSINESS- TYPE ACTIVITIES (millions)**



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Program revenues were more than program expenses in the amount of \$118,274 for the water operations for 2005. This increase in net assets is due to increased water usage, rate increases, and the collection of penalties and interest. This revenue is classified as charges for services. Water rate increases (3.4 percent) were charged to consumers in 2005. The water system was sounded for leaks in 2005. Necessary repairs to broken lines were made. The loss of water from these leaks resulted in a drop in billed consumption, and thus resulted in the City not receiving the full 3.4 percent increase in charges for services. Program revenues were less than program expenses in the amount of (\$86,673) for the wastewater operations for 2005. The wastewater fund received capital grant funds from the Ohio Public Works Commission (OPWC) in 2004 to complete the Oxidation Tower of our wastewater plant. Total program revenues for wastewater operations recorded in 2005 were \$2,154,552.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Bedford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of 2005 and 2004, the City of Bedford's governmental funds reported combined ending fund balances of \$13,391,041 and \$12,750,656 respectively. Of these amounts, \$12,194,714 and \$11,448,533 constitute unreserved fund balances, which is available for spending. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period in the amount of \$1,196,327 for 2005 and \$1,302,123 at the end of 2004.

All governmental funds had total revenues of \$21,255,577 in 2005 and \$19,201,158 in 2004 and total expenditures of \$20,632,646 in 2005 and \$20,580,326 in 2004, leaving a difference of expenditures over revenues of \$622,931 and (\$1,379,168) respectively. The most significant change in our funds from 2005 versus 2004 was the increase in costs of Community Development (CDBG Grant Projects). These costs were associated with a \$150,000 CDBG Grant for Washington Street rehabilitation project, \$199,155 from the general fund, and the remaining costs of this reconstruction were borrowed through an issuance of a general obligation note issue of \$591,850. Capital outlay had materially less costs in 2005 as less capital project costs were expended in this year; however, more dollars in road improvements were being utilized through State grants on State routes and therefore the City's share of dollars invested towards Road projects was leveraged at a 10:1 ratio. The City spent and leveraged \$160,812 on the State Route 8 Northfield Road Resurfacing project and in return the State of Ohio paid 90 percent of the project or approximately \$1,608,120. The City is currently spending \$340,000 on the engineering of the Rockside Road Resurfacing Project that the State has agreed to pay by grant the construction costs of over \$3,000,000 towards the project. The largest increase in revenue was the municipal income taxes as they increased significantly from \$9,472,207 in 2004 to \$10,833,996 in 2005 for an increase of \$1,361,789. The reasons were stated earlier in this letter. The City received many grants from the Community Development Block Grants \$155,696, and the Cuyahoga County Engineer grant of \$123,608, and Byrne Funds for Southeast Area Law Enforcement Agency (SEALE) of \$69,129.

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The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$9,467,365 compared to \$7,964,113 in 2004 of which \$9,341,622 in 2005 and \$7,780,251 in 2004 was unreserved at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The 2005 unreserved fund balance represents 62.27 and 50.49 percent for 2004 of total general fund expenditures, while total fund balance represents 63.11 and 51.64 percent in 2004 of that same amount. The unreserved fund balance of \$9,341,622 at year-end 2005 will cover and \$7,780,251 in 2004 will cover 227 and 184 days respectively, of City general fund expenditures. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund increased by \$1,503,252. The increase in the general fund balance is due to the increase in the income tax revenue, and fines and forfeitures. The income tax revenue in the general fund for 2005 and 2004 was \$10,180,323 and \$8,884,087 respectively. The fines and forfeitures were \$1,160,965 in 2005 and \$1,152,319 in 2004. The amount of income tax revenue increase was 14.59 percent over 2004. Court costs were increased in 2005 to maintain revenues in line with expenses. The transfers-out of \$4,453,636 were much less in 2005 than the \$4,930,968 that was sent to other funds for capital improvements and for various operating purposes in 2004.

Other major funds included in the governmental funds are the fire medic levy fund and the special assessment bond retirement fund.

The fire medic levy fund's fund balance as of December 31, 2005 was (\$69,568), as of December 31, 2004 the fund balance was (\$29,859). This year's ending fund balance is \$39,709 less than last year's. The costs of operation due to overtime in the department were more in 2005. The overtime issue has been addressed in 2006 and will result in less expenditure of funds.

The special assessment bond retirement fund ended the year with a fund balance of \$190,441 and \$193,294 in 2004. The reason for this decrease was due to delinquent payments on the Palmetto Avenue Assessment collections in 2005. We expect collections to increase when the County Auditor takes collection action.

### **General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2005, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our police department as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$15,550,715. The final budgeted revenue amount was \$15,895,715. The general fund's original appropriations were budgeted at \$11,385,833. The final budgeted appropriations were \$11,446,467. The City of Bedford's ending unencumbered cash balance in the general fund was \$884,170 above the final budgeted amount.

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The differences between the general fund's original and final amended budget were minor, except for the changes as follows:

- The most significant change was unspent \$166,917 in anticipated expenditures in the Municipal Court. The Lands and Buildings Department had unspent \$126,932 of expenditures vs budgeted amounts. The overall General Fund appropriation budget showed unspent dollars of \$694,984 or 6.07 percent left at year-end. The appropriation transfers out budget was increased from the original \$4,256,215 to \$5,223,949 in 2005 due to the Washington Street improvement project needing additional funding as costs were determined at a later time, during the year. Most other budget accounts were budgeted near or close to expectations in 2005.

**Capital Assets and Debt Administration**

*Capital Assets*

(Table 3)  
 Capital Assets at December 31,  
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land	\$2,627,189	\$2,627,595	\$28,620	\$28,620	\$2,655,809	\$2,656,215
Construction in Progress	461,398	204,088	1,962,081	2,224,160	2,423,479	2,428,248
Buildings and Improvements	15,090,208	15,447,004	5,104,870	5,236,766	20,195,078	20,683,770
Machinery and Equipment	2,001,757	2,118,393	760,388	1,072,554	2,762,145	3,190,947
Furniture and Fixtures	334,568	455,669	0	0	334,568	455,669
Vehicles	1,297,250	1,276,781	76,515	79,875	1,373,765	1,356,656
Infrastructure						
Roads	16,177,109	16,758,850	0	0	16,177,109	16,758,850
Traffic Signals	1,377,812	1,315,654	0	0	1,377,812	1,315,654
Rubberized Crossings	23,138	0	0	0	23,138	0
Storm Sewers	1,899,091	1,947,227	0	0	1,899,091	1,947,227
Water Lines	0	0	3,241,005	2,608,968	3,241,005	2,608,968
Sewer Lines	0	0	2,340,179	2,162,548	2,340,179	2,162,548
<b>Total</b>	<b>\$41,289,520</b>	<b>\$42,151,261</b>	<b>\$13,513,658</b>	<b>\$13,413,491</b>	<b>\$54,803,178</b>	<b>\$55,564,752</b>

Total capital assets decreased (\$761,574) in 2005. Decreases in most capital asset categories occurred in 2005 mostly due to depreciation expense. The most significant increase in our capital assets was in the categories of water and sewer lines. Some of the major projects in place included the Washington Street Improvement and the Tinkers Creek Commerce Park water line. Capital assets for business-type activities decreased \$100,167 due to the Water Line replacements on Forbes Road \$216,000, Washington Street \$351,926, and Tinkers Creek Commerce Park offset by the annual depreciation.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding facilities to complement our current structures. Additional information concerning the City's capital assets can be found in Note 10 to the basic financial statements.

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**Debt**

As of December 31, 2005 the City's governmental activities debt included \$869,473 due within one year, including compensated absences of \$349,686. The City had business-type debt of \$10,909,233 as of December 31, 2005. The City had business-type debt as of December 31, 2004 of \$11,044,408 in bonds and loans outstanding with \$892,505 due within one year. This was a decrease of \$135,175. This was due to the payment of principal. The City issued a General Obligation Note in the amount of \$1.2 million in 2005 at an interest rate of 3.5 percent. Both types of activities were affected with new debt issued at \$591,850 towards governmental activities-community development block grant fund, and \$608,150 towards the business-type activities- water fund.

(Table 4)  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$10,780,000	\$11,165,000	\$2,088,206	\$2,261,551	\$12,868,206	\$13,426,551
Special Assessment Bonds	635,000	710,000	0	40,000	635,000	750,000
OPWC Loans	578,144	626,333	835,931	785,311	1,414,075	1,411,644
OWDA Loans	0	0	7,376,946	7,957,546	7,376,946	7,957,546
Notes Payable	591,850	0	608,150	0	1,200,000	0
Police Pension	205,488	208,940	0	0	205,488	208,940
Capital Leases	15,456	1,133	0	0	15,456	1,133
<b>Total</b>	<b>\$12,805,938</b>	<b>\$12,711,406</b>	<b>\$10,909,233</b>	<b>\$11,044,408</b>	<b>\$23,715,171</b>	<b>\$23,755,814</b>

The General Obligation bonds are composed of (1) a Municipal Complex Court bond issued in 2002 and repaid from court fees and the one-fourth of a percent increase in municipal income tax rate voted in by the public in 1999; (2) the 2002 Municipal Complex Improvement – this issue is repaid from the one-fourth of a percent income tax increase also; and (3) the 1999 Municipal Complex Improvement - this issue is repaid from the one fourth of a percent income tax increase also.

The special assessment bonds consist of various street-resurfacing projects. The County Auditor assesses the specific property owners who primarily benefit from the projects. The assessments collected are used to pay the principal and interest for these bonds. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

There are two OPWC loans that are being paid semi-annually from the debt service fund and funded by general fund revenues. These two loans are no interest 20-year loans for the Willard and Wandle Avenue street rehabilitation projects. The amounts outstanding as of December 31, 2005 and December 31, 2004 were \$578,144, and \$626,333 respectively.

The Police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2005 the balance was \$205,488.

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The Business-type debt consisted of the following:

The General Obligation bonds are composed of (1) a sewer improvement bond issued in 2002; (2) the refunding bonds issued in 2002 to pay off the water system mortgage revenue bonds outstanding from the 1991 issue – this new issue is to be repaid from the water rates and water bill collections; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. This new issue is to be repaid from the water rates and water bill collections.

The additional ¼ percent income tax collection pays for the retirement of an Ohio Public Works Commission Loan (Oxidation Tower Project) and the Ohio Water Development Authority Loan (Rapid Sandfilter Project). The principal amounts outstanding as of December 31, 2005 are \$798,461 and \$2,259,733 respectively. The City received a grant of \$945,000 in 2004 from the State's Issue II funding, and an OPWC - Oxidation Tower Loan has been granted up to the amount of \$945,000. The City also has an OPWC loan for the completed construction of the flow control project and an OWDA loan for plant improvements that are paid through sewer user rates and from sewer collections.

The final payments on the special assessment bonds for the Krick Road water project were made in 2005.

Most of the City's OWDA loans purpose was to refinance previously issued Wastewater Plant improvement bond issues prior to 1994. The loan is for 20 years at 4.80 percent. The amount outstanding from this loan as of December 31, 2005 is \$5,670,422.

State statues limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin was \$23,018,912 on December 31, 2005.

Additional information concerning the City's debt can be found in Note 15 to the basic financial statements.

### **Current Financial Related Activities**

The City of Bedford is financially stable as evidenced by Moody's Investors Service's affirmation of our A1 rating and Standard and Poor's affirmation of our A+ rating both awarded and confirmed to the City in 2002 and thereafter.

The Administration and City Council developed a master plan for the development of our downtown area and the building or upgrading of City facilities as well as a 5-year capital improvement plan. As a result, we have seen a remarkable increase in our capital assets over that period of time. We completed the construction of the new municipal complex facilities consisting of three buildings, the City Hall and court/police department connected by a hallway and the fire station, at a construction cost that was \$450,000 under the original budget of \$16,700,000.

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

This financial report is designed to provide our citizens, tax payers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information please contact Frank C. Gambosi, Director of Finance, City of Bedford, 165 Center Road, Bedford, Ohio 44146, telephone (440) 735-6500, or use our web site at [www.bedfordoh.gov](http://www.bedfordoh.gov).



**City of Bedford, Ohio**  
*Statement of Net Assets*  
*December 31, 2005*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$12,807,894	\$3,629,116	\$16,437,010
Cash and Cash Equivalents with Fiscal Agents	46,733	0	46,733
Materials and Supplies Inventory	121,270	131,760	253,030
Accrued Interest Receivable	71,094	223	71,317
Accounts Receivable	86,662	1,037,398	1,124,060
Internal Balances	12,266	(12,266)	0
Intergovernmental Receivable	1,621,089	0	1,621,089
Prepaid Items	18,316	124	18,440
Income Taxes Receivable	2,874,734	0	2,874,734
Property Taxes Receivable	3,549,963	0	3,549,963
Special Assessments Receivable	1,317,655	46,447	1,364,102
Unamortized Bond Issuance Costs	235,517	238,299	473,816
Nondepreciable Capital Assets	3,088,587	1,990,701	5,079,288
Depreciable Capital Assets, Net	38,200,933	11,522,957	49,723,890
<i>Total Assets</i>	<u>64,052,713</u>	<u>18,584,759</u>	<u>82,637,472</u>
<b>Liabilities</b>			
Accounts Payable	226,983	30,337	257,320
Accrued Wages and Benefits	508,866	57,557	566,423
Intergovernmental Payable	421,261	22,870	444,131
Vacation Benefits Payable	595,102	71,223	666,325
Claims Payable	101,464	0	101,464
Deferred Revenue	3,329,414	0	3,329,414
Retainage Payable	46,733	0	46,733
Accrued Interest Payable	70,185	207,979	278,164
Notes Payable	591,850	608,150	1,200,000
Long-Term Liabilities:			
Due Within One Year	869,473	898,615	1,768,088
Due In More Than One Year	12,589,755	9,509,917	22,099,672
<i>Total Liabilities</i>	<u>19,351,086</u>	<u>11,406,648</u>	<u>30,757,734</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	29,561,437	2,842,724	32,404,161
Restricted for:			
Capital Projects	1,356,429	0	1,356,429
Debt Service	1,143,792	0	1,143,792
Fire	423,999	0	423,999
Streets	1,294,088	0	1,294,088
Other Purposes	701,410	0	701,410
Unrestricted	10,220,472	4,335,387	14,555,859
<i>Total Net Assets</i>	<u>\$44,701,627</u>	<u>\$7,178,111</u>	<u>\$51,879,738</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$4,513,961	\$1,687,566	\$0	\$0
Security of Persons and Property				
Police	4,696,595	56,734	140,902	0
Fire	3,264,023	293,200	3,724	0
Public Health and Welfare	165,278	43,443	15,066	0
Leisure Time Activities	1,515,957	95,355	27,865	0
Community Development	711,271	136,304	373,911	0
Basic Utility Services	746,633	229,705	6,008	0
Transportation	4,815,778	0	626,063	425,995
Interest and Fiscal Charges	610,370	0	0	0
<i>Total Governmental Activities</i>	<u>21,039,866</u>	<u>2,542,307</u>	<u>1,193,539</u>	<u>425,995</u>
<b>Business-Type Activities</b>				
Water	3,277,619	3,395,893	0	0
Wastewater	2,249,871	2,154,552	0	8,646
<i>Total Business-Type Activities</i>	<u>5,527,490</u>	<u>5,550,445</u>	<u>0</u>	<u>8,646</u>
<i>Total</i>	<u><u>\$26,567,356</u></u>	<u><u>\$8,092,752</u></u>	<u><u>\$1,193,539</u></u>	<u><u>\$434,641</u></u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Other Purposes

Municipal Income Taxes Levied for:

    General Purposes

    Debt Service

    Other Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,826,395)	\$0	(\$2,826,395)
(4,498,959)	0	(4,498,959)
(2,967,099)	0	(2,967,099)
(106,769)	0	(106,769)
(1,392,737)	0	(1,392,737)
(201,056)	0	(201,056)
(510,920)	0	(510,920)
(3,763,720)	0	(3,763,720)
(610,370)	0	(610,370)
<u>(16,878,025)</u>	<u>0</u>	<u>(16,878,025)</u>
0	118,274	118,274
0	(86,673)	(86,673)
<u>0</u>	<u>31,601</u>	<u>31,601</u>
<u>(16,878,025)</u>	<u>31,601</u>	<u>(16,846,424)</u>
2,548,372	0	2,548,372
885,180	0	885,180
10,625,798	0	10,625,798
653,673	0	653,673
0	435,782	435,782
1,925,920	0	1,925,920
255,900	87,679	343,579
80,398	0	80,398
399,247	23,426	422,673
<u>17,374,488</u>	<u>546,887</u>	<u>17,921,375</u>
496,463	578,488	1,074,951
<u>44,205,164</u>	<u>6,599,623</u>	<u>50,804,787</u>
<u>\$44,701,627</u>	<u>\$7,178,111</u>	<u>\$51,879,738</u>

**City of Bedford, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

	General	Fire Medic Levy	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$7,567,853	\$67,593	\$190,441	\$4,890,047	\$12,715,934
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	0	0	0	46,733	46,733
Property Taxes Receivable	2,606,994	776,577	0	166,392	3,549,963
Income Taxes Receivable	2,874,734	0	0	0	2,874,734
Accounts Receivable	78,712	0	0	2,210	80,922
Intergovernmental Receivable	714,932	41,513	0	864,644	1,621,089
Interfund Receivable	770,313	0	0	0	770,313
Accrued Interest Receivable	67,721	0	0	3,373	71,094
Materials and Supplies Inventory	98,438	0	0	22,832	121,270
Prepaid Items	17,733	429	0	154	18,316
Special Assessments Receivable	0	0	1,001,994	315,661	1,317,655
<i>Total Assets</i>	<u>\$14,797,430</u>	<u>\$886,112</u>	<u>\$1,192,435</u>	<u>\$6,312,046</u>	<u>\$23,188,023</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$126,897	\$8,025	\$0	\$89,426	\$224,348
Accrued Wages and Benefits	360,515	107,882	0	40,469	508,866
Intergovernmental Payable	120,196	21,683	0	279,382	421,261
Claims Payable	1,429	0	0	0	1,429
Interfund Payable	0	0	0	770,313	770,313
Deferred Revenue	4,721,028	818,090	1,001,994	687,778	7,228,890
Accrued Interest Payable	0	0	0	3,292	3,292
Notes Payable	0	0	0	591,850	591,850
Payable from Restricted Assets:					
Retainage Payable	0	0	0	46,733	46,733
<i>Total Liabilities</i>	<u>5,330,065</u>	<u>955,680</u>	<u>1,001,994</u>	<u>2,509,243</u>	<u>9,796,982</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	125,743	7,058	0	1,063,526	1,196,327
Unreserved					
Undesignated, Reported in:					
General Fund	9,341,622	0	0	0	9,341,622
Special Revenue Funds (Deficit)	0	(76,626)	0	1,782,941	1,706,315
Debt Service Funds	0	0	190,441	47,794	238,235
Capital Projects Funds	0	0	0	908,542	908,542
<i>Total Fund Balances (Deficit)</i>	<u>9,467,365</u>	<u>(69,568)</u>	<u>190,441</u>	<u>3,802,803</u>	<u>13,391,041</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,797,430</u>	<u>\$886,112</u>	<u>\$1,192,435</u>	<u>\$6,312,046</u>	<u>\$23,188,023</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2005*

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**Total Governmental Fund Balances** \$13,391,041

*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. 41,289,520

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

Property Taxes	220,549
Income Taxes	1,702,436
Special Assessments	1,317,655
Intergovernmental	658,836

Total 3,899,476

An internal service fund is used by management to charge the costs 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.

Net Assets	(4,970)
Internal Balances	12,266

Total 7,296

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 235,517

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (66,893)

Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds. (595,102)

Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(10,780,000)
Special Assessment Bonds	(635,000)
OPWC Loans	(578,144)
Police and Fire Liability	(205,488)
Capital Leases	(15,456)
Compensated Absences	(1,245,140)

Total (13,459,228)

*Net Assets of Governmental Activities* \$44,701,627

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Fire Medic Levy	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property and Other Taxes	\$2,627,116	\$752,436	\$0	\$161,236	\$3,540,788
Municipal Income Taxes	10,180,323	0	0	653,673	10,833,996
Charges for Services	259,685	0	0	434,562	694,247
Fees, Licenses and Permits	145,155	2,410	0	0	147,565
Fines and Forfeitures	1,160,965	0	0	309,892	1,470,857
Intergovernmental	1,788,685	82,936	0	1,631,552	3,503,173
Special Assessments	0	0	109,910	306,802	416,712
Interest	135,426	2,985	6,020	110,301	254,732
Other	121,815	0	0	271,692	393,507
<i>Total Revenues</i>	<u>16,419,170</u>	<u>840,767</u>	<u>115,930</u>	<u>3,879,710</u>	<u>21,255,577</u>
<b>Expenditures</b>					
Current:					
General Government	4,108,822	0	0	42,958	4,151,780
Security of Persons and Property:					
Police	3,818,937	0	0	739,365	4,558,302
Fire	0	2,563,476	0	734,412	3,297,888
Public Health and Welfare	47,617	0	0	117,934	165,551
Leisure Time Activities	234,099	0	0	1,226,523	1,460,622
Community Development	472,073	0	0	1,404,332	1,876,405
Basic Utility Services	458,717	0	0	276,966	735,683
Transportation	1,392,700	0	0	887,667	2,280,367
Capital Outlay	0	0	0	1,007,907	1,007,907
Debt Service:					
Principal Retirement	5,779	0	75,000	433,189	513,968
Interest and Fiscal Charges	9,292	0	43,783	531,098	584,173
<i>Total Expenditures</i>	<u>10,548,036</u>	<u>2,563,476</u>	<u>118,783</u>	<u>7,402,351</u>	<u>20,632,646</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,871,134</u>	<u>(1,722,709)</u>	<u>(2,853)</u>	<u>(3,522,641)</u>	<u>622,931</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	69,104	0	0	11,700	80,804
Inception of Capital Lease	16,650	0	0	0	16,650
Transfers In	0	1,683,000	0	2,868,897	4,551,897
Transfers Out	(4,453,636)	0	0	(178,261)	(4,631,897)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,367,882)</u>	<u>1,683,000</u>	<u>0</u>	<u>2,702,336</u>	<u>17,454</u>
<i>Net Change in Fund Balances</i>	1,503,252	(39,709)	(2,853)	(820,305)	640,385
<i>Fund Balances Beginning of Year</i>	<u>7,964,113</u>	<u>(29,859)</u>	<u>193,294</u>	<u>4,623,108</u>	<u>12,750,656</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$9,467,365</u>	<u>(\$69,568)</u>	<u>\$190,441</u>	<u>\$3,802,803</u>	<u>\$13,391,041</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2005*

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**Net Change in Fund Balances - Total Governmental Funds** \$640,385

*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 Outlay	2,555,844
Depreciation	<u>(3,417,179)</u>

Total (861,335)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (406)

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

Property Taxes	(107,236)
Income Taxes	445,475
Special Assessments	(187,074)
Intergovernmental	<u>42,281</u>

Total 193,446

Other financing sources, such as inception of capital lease, in the governmental funds increase long-term liabilities in the statement of net assets. (16,650)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 513,968

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(15,200)
Amortization of Issuance Costs	<u>(10,997)</u>

Totals (26,197)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable (which represent contractually required pension contributions) do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(60,335)
Vacation Benefits Payable	<u>(9,569)</u>

Total (69,904)

The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.

Change in Net Assets	127,024
Change in Internal Balance	<u>(3,868)</u>

Total 123,156

*Change in Net Assets of Governmental Activities* \$496,463

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$2,521,115	\$2,621,115	\$2,627,116	\$6,001
Municipal Income Taxes	9,504,000	9,749,000	9,805,100	56,100
Charges for Services	285,900	285,900	277,396	(8,504)
Fees, Licenses and Permits	135,050	135,050	145,155	10,105
Fines and Forfeitures	1,141,380	1,141,380	1,158,819	17,439
Intergovernmental	1,750,270	1,750,270	1,780,488	30,218
Interest	175,000	175,000	204,368	29,368
Rentals	0	0	1,200	1,200
Other	38,000	38,000	19,704	(18,296)
<i>Total Revenues</i>	15,550,715	15,895,715	16,019,346	123,631
<b>Expenditures</b>				
Current:				
General Government	4,639,864	4,670,998	4,204,423	466,575
Security of Persons and Property:				
Police	3,922,255	3,939,255	3,868,115	71,140
Public Health and Welfare	47,620	47,620	47,617	3
Leisure Time Activities	274,881	276,881	264,719	12,162
Community Development	407,526	413,526	402,328	11,198
Basic Utility Services	498,000	502,500	452,303	50,197
Transportation	1,595,687	1,595,687	1,511,978	83,709
<i>Total Expenditures</i>	11,385,833	11,446,467	10,751,483	694,984
<i>Excess of Revenues Over Expenditures</i>	4,164,882	4,449,248	5,267,863	818,615
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	12,000	83,236	69,104	(14,132)
Advances Out	(770,313)	(770,313)	(770,313)	0
Transfers Out	(3,485,902)	(4,533,323)	(4,453,636)	79,687
<i>Total Other Financing Sources (Uses)</i>	(4,244,215)	(5,220,400)	(5,154,845)	65,555
<i>Net Change in Fund Balance</i>	(79,333)	(771,152)	113,018	884,170
<i>Fund Balance Beginning of Year</i>	7,119,723	7,119,723	7,119,723	0
Prior Year Encumbrances Appropriated	196,352	196,352	196,352	0
<i>Fund Balance End of Year</i>	\$7,236,742	\$6,544,923	\$7,429,093	\$884,170

See accompanying notes to the basic financial statements



**City of Bedford, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Medic Levy Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property and Other Taxes	\$750,465	\$750,465	\$752,436	\$1,971
Fees, Licenses and Permits	690	690	2,410	1,720
Intergovernmental	78,780	78,780	82,936	4,156
Interest	5,000	5,000	2,985	(2,015)
Other	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	835,935	835,935	840,767	4,832
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire	2,555,357	2,582,857	2,581,572	1,285
<i>Excess of Revenues Under Expenditures</i>	(1,719,422)	(1,746,922)	(1,740,805)	6,117
<b>Other Financing Sources</b>				
Transfers In	1,633,000	1,683,000	1,683,000	0
<i>Net Change in Fund Balance</i>	(86,422)	(63,922)	(57,805)	6,117
<i>Fund Balance Beginning of Year</i>	109,743	109,743	109,743	0
Prior Year Encumbrances Appropriated	574	574	574	0
<i>Fund Balance End of Year</i>	<u>\$23,895</u>	<u>\$46,395</u>	<u>\$52,512</u>	<u>\$6,117</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2005*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,231,750	\$2,397,366	\$3,629,116	\$91,960
Receivables:				
Accounts	626,735	410,663	1,037,398	5,740
Accrued Interest	16	207	223	0
Materials and Supplies Inventory	69,682	62,078	131,760	0
Prepaid Items	0	124	124	0
<i>Total Current Assets</i>	<u>1,928,183</u>	<u>2,870,438</u>	<u>4,798,621</u>	<u>97,700</u>
<i>Noncurrent Assets</i>				
Special Assessments Receivable	46,447	0	46,447	0
Unamortized Bond Issuance Costs	132,388	105,911	238,299	0
Nondepreciable Capital Assets	0	1,990,701	1,990,701	0
Depreciable Capital Assets, Net	3,343,513	8,179,444	11,522,957	0
<i>Total Noncurrent Assets</i>	<u>3,522,348</u>	<u>10,276,056</u>	<u>13,798,404</u>	<u>0</u>
<i>Total Assets</i>	<u>5,450,531</u>	<u>13,146,494</u>	<u>18,597,025</u>	<u>97,700</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	1,067	29,270	30,337	2,635
Accrued Wages	23,177	34,380	57,557	0
Intergovernmental Payable	9,325	13,545	22,870	0
Vacation Benefits Payable	28,607	42,616	71,223	0
Compensated Absences Payable	11,761	12,247	24,008	0
Accrued Interest Payable	25,404	182,575	207,979	0
Notes Payable	608,150	0	608,150	0
General Obligation Bonds Payable	155,000	30,000	185,000	0
OPWC Loans Payable	0	4,163	4,163	0
OWDA Loans Payable	0	685,444	685,444	0
Claims Payable	0	0	0	100,035
<i>Total Current Liabilities</i>	<u>862,491</u>	<u>1,034,240</u>	<u>1,896,731</u>	<u>102,670</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	20,651	62,790	83,441	0
General Obligation Bonds Payable	1,273,206	630,000	1,903,206	0
OPWC Loans Payable	0	831,768	831,768	0
OWDA Loans Payable	0	6,691,502	6,691,502	0
<i>Total Long-Term Liabilities</i>	<u>1,293,857</u>	<u>8,216,060</u>	<u>9,509,917</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,156,348</u>	<u>9,250,300</u>	<u>11,406,648</u>	<u>102,670</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	1,439,545	1,403,179	2,842,724	0
Unrestricted	1,854,638	2,493,015	4,347,653	(4,970)
<i>Total Net Assets</i>	<u>\$3,294,183</u>	<u>\$3,896,194</u>	<u>7,190,377</u>	<u>(\$4,970)</u>

Net assets reported for business-type activities in the statement of net assets are different because they include accumulated overpayments to the internal service fund:

(12,266)

Net assets of business-type activities

\$7,178,111

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Operating Revenues</b>				
Charges for Services	\$3,395,893	\$2,154,552	\$5,550,445	\$1,897,594
Other	6,870	0	6,870	5,740
<i>Total Operating Revenues</i>	<u>3,402,763</u>	<u>2,154,552</u>	<u>5,557,315</u>	<u>1,903,334</u>
<b>Operating Expenses</b>				
Personal Services	449,303	843,041	1,292,344	0
Contractual Services	2,560,962	86,872	2,647,834	626,873
Materials and Supplies	50,683	323,305	373,988	0
Depreciation	96,363	469,451	565,814	0
Claims	0	0	0	1,230,605
Other	18,756	43,470	62,226	0
<i>Total Operating Expenses</i>	<u>3,176,067</u>	<u>1,766,139</u>	<u>4,942,206</u>	<u>1,857,478</u>
<i>Operating Income</i>	<u>226,696</u>	<u>388,413</u>	<u>615,109</u>	<u>45,856</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	31,848	55,831	87,679	1,168
Municipal Income Taxes	0	435,782	435,782	0
Interest and Fiscal Charges	(102,205)	(484,548)	(586,753)	0
Other Non-Operating Revenues	16,556	0	16,556	0
Other Non-Operating Expenses	(754)	(1,645)	(2,399)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(54,555)</u>	<u>5,420</u>	<u>(49,135)</u>	<u>1,168</u>
<i>Income before Transfers and Capital Contributions</i>	<u>172,141</u>	<u>393,833</u>	<u>565,974</u>	<u>47,024</u>
Transfers In	0	0	0	80,000
Capital Contributions	0	8,646	8,646	0
<i>Change in Net Assets</i>	<u>172,141</u>	<u>402,479</u>	<u>574,620</u>	<u>127,024</u>
<i>Net Assets Beginning of Year</i>	<u>3,122,042</u>	<u>3,493,715</u>		<u>(131,994)</u>
<i>Net Assets End of Year</i>	<u><u>\$3,294,183</u></u>	<u><u>\$3,896,194</u></u>		<u><u>(\$4,970)</u></u>

Some amounts reported for business-type activities in the statement of activities are different because a portion of the change in net assets of the internal service fund is reported with business-type activities:

	<u>3,868</u>
Change in net assets of business-type activities	<u><u>\$578,488</u></u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2005

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$3,394,865	\$2,134,120	\$5,528,985	\$0
Cash Received from Interfund Services Provided	0	0	0	1,897,594
Other Cash Receipts	6,870	0	6,870	0
Non-Operating Revenues	16,556	0	16,556	0
Cash Payments to Employees for Services	(452,663)	(841,597)	(1,294,260)	(628,898)
Cash Payments for Goods and Services	(2,720,562)	(451,777)	(3,172,339)	0
Cash Payments for Claims	0	0	0	(1,268,190)
Other Cash Payments	(18,756)	(43,470)	(62,226)	0
Non-Operating Expenses	(754)	(1,645)	(2,399)	0
<i>Net Cash Provided by Operating Activities</i>	<u>225,556</u>	<u>795,631</u>	<u>1,021,187</u>	<u>506</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from Municipal Income Taxes	0	435,782	435,782	0
Transfers In	0	0	0	80,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>435,782</u>	<u>435,782</u>	<u>80,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants Received	0	10,986	10,986	0
Proceeds from General Obligation Notes	608,150	0	608,150	0
Proceeds from OPWC Loans	0	75,340	75,340	0
Principal Paid on General Obligation Bonds	(155,000)	(25,000)	(180,000)	0
Interest Paid on General Obligation Bonds	(55,098)	(29,730)	(84,828)	0
Principal Paid on Special Assessment Bonds	(40,000)	0	(40,000)	0
Interest Paid on Special Assessment Bonds	(2,060)	0	(2,060)	0
Principal Paid on OWDA Loans	0	(654,362)	(654,362)	0
Interest Paid on OWDA Loans	0	(383,294)	(383,294)	0
Principal Paid on OPWC Loans	0	(24,720)	(24,720)	0
Payments for Capital Acquisitions	(562,675)	(103,306)	(665,981)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(206,683)</u>	<u>(1,134,086)</u>	<u>(1,340,769)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	31,832	56,204	88,036	1,168
<i>Net Increase in Cash and Cash Equivalents</i>	50,705	153,531	204,236	81,674
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,181,045</u>	<u>2,243,835</u>	<u>3,424,880</u>	<u>10,286</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,231,750</u>	<u>\$2,397,366</u>	<u>\$3,629,116</u>	<u>\$91,960</u>

(continued)

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2005

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$226,696	\$388,413	\$615,109	\$45,856
Adjustments:				
Depreciation	96,363	469,451	565,814	0
Non-Operating Revenues	16,556	0	16,556	0
Non-Operating Expenses	(754)	(1,645)	(2,399)	0
(Increase) Decrease in Assets:				
Accounts Receivable	(36,633)	(20,432)	(57,065)	(5,740)
Special Assessment Receivable	35,605	0	35,605	0
Materials and Supplies Inventory	(14,760)	(18,592)	(33,352)	0
Prepaid Items	0	(124)	(124)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(94,157)	(8,569)	(102,726)	(2,025)
Retainage Payable	0	(14,315)	(14,315)	0
Accrued Wages	(795)	4,843	4,048	0
Compensated Absences Payable	2,968	(2,214)	754	0
Vacation Benefits Payable	(2,229)	2,988	759	0
Intergovernmental Payable	(3,304)	(4,173)	(7,477)	0
Claims Payable	0	0	0	(37,585)
<i>Total Adjustments</i>	(1,140)	407,218	406,078	(45,350)
<i>Net Cash Provided by Operating Activities</i>	\$225,556	\$795,631	\$1,021,187	\$506

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2005*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$80
Cash and Cash Equivalents in Segregated Accounts	<u>41,501</u>
<i>Total Assets</i>	<u><u>\$41,581</u></u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$41,581</u></u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 1 – Description of the City and Reporting Entity**

The City of Bedford was incorporated as a village in 1837. In 1932, the residents of the City adopted the City's first charter. The City is a home rule municipal corporation under the laws of the State of Ohio which operates under the Council-Manager form of government with the Council appointing the City Manager, Finance Director, Law Director and Clerk of Council. The legislative power of the City is vested in the seven-member Council.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. For the City of Bedford this includes the agencies and departments that provide the following services: police, fire, rescue, recreation programs, street maintenance and repairs, sanitation, water, wastewater treatment, municipal court and general administrative services. The City purchases its water from the City of Cleveland and in turn bills its customers. The City of Bedford owns and operates its own wastewater treatment facility. Except for water and sewage, the major utilities are provided by private entities.

The clerk of courts is appointed by the presiding Judge of the Bedford Municipal Court and has a fiduciary responsibility for the collection and distribution of court fees and fines. The Court Judges are elected by residents of the participating cities and work under the authority of the Chief Justice of the Supreme Court of Ohio.

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 which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City of Bedford have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and to its enterprise funds. The more significant of the City's accounting policies are described below.

***A. Basis of Presentation***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are 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 program 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 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 Bedford and/or the general laws of Ohio.

***Fire Medic Levy Fund*** The fire medic levy special revenue fund accounts for the property tax revenue collected for the paramedic services as well as firefighting services.

***Special Assessment Bond Retirement Fund*** The special assessment bond retirement fund is used to account for the collection of special assessments levied against benefited properties for the payment of special assessment bond principal, interest and related costs.



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

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

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

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

**Wastewater Fund** The wastewater fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

**Internal Service Fund** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a health fund that accounts for vision, dental, prescription drug and hospital/medical claims of the City employees.

**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 custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for the State inspection fee program and the amounts collected by the municipal court that are paid to other governments.

### ***C. Measurement Focus***

**Government-wide Financial Statements** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. 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 a 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 presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***D. Basis of Accounting***

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

***Revenues - Exchange and Nonexchange 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. For the City, available means expected to be received within sixty days of 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 year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***E. Pooled Cash and Cash Equivalents***

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" and represent deposits.

The City utilizes a financial institution to account for a retainage account. The balance in this account is presented as "Restricted Assets: Cash and Cash Equivalents with Fiscal Agents."

During 2005, investments were limited to repurchase agreements, non negotiable certificates of deposit, federal home loan mortgage corporation notes, federal home loan bank bonds, federal national mortgage association notes and STAROhio, the State Treasurer's Investment Pool.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2005 amounted to \$135,426, of which \$2,479 was assigned from other funds.

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

***F. Materials and Supplies Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

***G. Prepaid Items***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**H. Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments or imposed by law through constitutional provisions or enabling legislation. The restricted assets in the community development block grant special revenue fund represent retainage accounts that are used to pay the retainage on construction contracts.

**I. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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 enterprise 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. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. 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 proprietary fund 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:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	50 years	50 years
Machinery and Equipment	5-20 years	5-20 years
Furniture and Fixtures	10 years	10 years
Vehicles	5-10 years	7-10 years
Infrastructure	20-50 years	50 years

The City's infrastructure consists of roads, traffic signals, storm sewers and water and sewer lines and includes infrastructure acquired prior to December 31, 1980.

**J. Interfund Balances**

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***K. Compensated Absences***

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next twenty years). The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's termination policy.

***L. Accrued Liabilities and Long-term Obligations***

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

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

***M. 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.

***N. 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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports restricted net assets of \$4,919,718, of which \$2,050,440 is restricted by enabling legislation. Net assets restricted for other purposes include community development and recreational activities.

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***O. 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 and sewer services and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

***P. Bond Issuance Costs***

Bond issuance costs for underwriting fees and bond insurance for the City Hall general obligation bonds and various water and sewer enterprise funds' general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements and in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method.

***Q. Deferred Loss on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of the water and sewer refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the new debt and is presented net of the general obligation bonds payable and OWDA loan payable on the statement of net assets.

***R. Interfund Activity***

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

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

***S. Extraordinary and Special Items***

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

***T. 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.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**U. Budgetary Data**

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 control has been established by Council at the department level for all funds. Each fund is also budgeted at the object level of personal services and other expenditures. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. Authority to further allocate Council appropriations within departments has been given to the Director of Finance.

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

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

**Note 3 – Change in Accounting Principle**

For 2005, the City has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures," and GASB Statement No. 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."

GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 42 did not affect the presentation of the financial statement of the City.

**Note 4 - Budgetary Basis of Accounting**

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

Net Change in Fund Balances		
General and Fire Medic Levy Special Revenue Funds		
	General	Fire Medic Levy
GAAP Basis	\$1,503,252	(\$39,709)
Net Adjustment for Revenue Accruals	(519,683)	0
Beginning Fair Value of Adjustments for Investments	(8,634)	0
Ending Fair Value of Adjustments for Investments	130,324	0
Beginning Unrecorded Cash	83,414	0
Ending Unrecorded Cash	(85,245)	0
Net Adjustment for Expenditure Accruals	(36,258)	(3,015)
Advances Out	(770,313)	0
Encumbrances	(183,839)	(15,081)
Budget Basis	\$113,018	(\$57,805)

**Note 5 - Deposits and Investments**

Monies held by the City are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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.



**City of Bedford, Ohio**  
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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 held by the City can 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 payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$4,269,528 of the City's bank balance of \$5,036,261 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

**City of Bedford, Ohio**  
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The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

Investments are reported at fair value. As of December 31, 2005, the City had the following investments:

	Maturity			Total
	Less Than Six Months	More Than Six Months But Less Than One Year	More Than One Year But Less Than Three Years	
Repurchase Agreements	\$4,945,744	\$0	\$0	\$4,945,744
Federal Home Loan Bank Bonds	348,810	1,484,339	3,458,821	5,291,970
Federal Home Loan Mortgage Corporation Notes	525,569	348,705	0	874,274
Federal National Mortgage Association Notes	0	682,911	0	682,911
STAROhio	274,124	0	0	274,124
<b>Total Portfolio</b>	<b>\$6,094,247</b>	<b>\$2,515,955</b>	<b>\$3,458,821</b>	<b>\$12,069,023</b>

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

**Custodial Credit Risk** For an investment, 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. The Federal Home Loan Mortgage Corporation Notes, the Federal Home Loan Bank Bonds and the Federal National Mortgage Association Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Credit Risk** The Federal Home Loan Mortgage Corporation Notes, the Federal Home Loan Bank Bonds and the Federal National Mortgage Association Notes carry a rating of AAA by Standard & Poor's and STAROhio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

**City of Bedford, Ohio**  
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**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2005:

<u>Investment</u>	<u>Percentage of Investments</u>
Repurchase Agreements	40.98%
Federal Home Loan Bank Bonds	43.85
Federal Home Loan Mortgage Corporation Note	7.24
Federal National Mortgage Association Note	5.66
STAROhio	2.27

**Note 6 - Contingencies**

**A. Grants**

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is 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 effect on the overall financial position of the City at December 31, 2005.

**B. Litigation**

The City is a party to various legal proceedings seeking damages. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**Note 7 - Receivables**

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$936,994 in the special assessment bond retirement fund and \$23,102 in the water enterprise fund. At December 31, 2005 the amount of delinquent special assessments was \$173,128.

**City of Bedford, Ohio**  
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**A. Property Taxes**

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

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

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

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2005 was \$12.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$239,750,590
Public Utility Tangible Property	9,323,120
Tangible Personal Property	<u>42,681,161</u>
Total	<u><u>\$291,754,871</u></u>

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

Tangible personal property taxes paid by multi-county taxpayers are due by 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 Bedford. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general fund and fire medic levy, police pension and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

**City of Bedford, Ohio**  
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**B. Income Taxes**

The City levies an income tax of 2.25 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 1.50 percent of the tax paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities</b>	
Tinkers' Creek Commerce Grant	\$425,993
Local Government	401,897
Gasoline Tax	269,196
Homesteaded and Rollback	189,774
Estate Tax	155,536
Grants	120,866
Permissive Tax	39,691
Court Costs	14,124
Miscellaneous	<u>4,012</u>
Total	<u><u>\$1,621,089</u></u>

**Note 8 – Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to one year. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of one and one quarter days per month of service. Employees with accumulated sick leave in excess of 120 days at November 1 of each year receive payment for the excess over 120 days at the rate of one half the accumulated sick leave over 120 days. Upon retirement, employees are paid one half of the accumulated sick leave.

**Note 9 - Interfund Transactions**

**A. Interfund Balances**

Interfund balances at December 31, 2005 consists of an interfund receivable in the general fund for \$770,313 and an interfund payable in the Tinkers' Creek Commerce Park capital projects fund for \$770,313. The interfund payable was an advance for grant monies that the fund will receive at a later date. This is expected to be paid within one year.

**City of Bedford, Ohio**  
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**B. Interfund Transfers**

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Fire Medic Levy	\$1,683,000	\$0	\$1,683,000
Other Governmental Funds:			
Community Development Block Grant	199,155	0	199,155
Enterprise Zone	269,750	0	269,750
Recreation	1,085,655	0	1,085,655
Cemetery	52,200	0	52,200
Street Construction Maintenance and Repair	153,475	0	153,475
Grants	14,721	0	14,721
Housing Rehabilitation Program	80,000	0	80,000
Police Pension	275,550	0	275,550
Fire Pension	350,610	0	350,610
General Obligation Bond Retirement	159,520	139,875	299,395
Downtown Improvement	0	0	0
Capital Improvement	50,000	38,386	88,386
Health Insurance	80,000	0	80,000
Total Other Governmental Funds	<u>2,770,636</u>	<u>178,261</u>	<u>2,948,897</u>
Total	<u>\$4,453,636</u>	<u>\$178,261</u>	<u>\$4,631,897</u>

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. The transfer from city hall capital projects fund to the capital improvement capital projects fund was to move most funds that were available after the completed construction of city hall for future use on other capital projects in line with the ballot language passed by the residents in 1999. The transfers out from the general fund to the general obligation bond retirement fund are to pay for the debt on city hall. The transfer from the municipal court special programs special revenue fund to the general obligation bond retirement fund was to pay the court's portion of the principal and interest due on the bonds issued to build the Court.

**Note 10 – Capital Assets**

A summary of changes in capital assets during 2005 follows:

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,627,595	\$0	(\$406)	\$2,627,189
Construction in Progress	204,088	716,036	(458,726)	461,398
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$2,831,683</u>	<u>\$716,036</u>	<u>(\$459,132)</u>	<u>\$3,088,587</u>

**City of Bedford, Ohio**  
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	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Governmental Activities</b>				
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	\$17,062,430	\$17,252	\$0	\$17,079,682
Machinery and Equipment	3,381,586	239,432	0	3,621,018
Furniture and Fixtures	789,390	0	0	789,390
Vehicles	3,667,619	314,996	(105,833)	3,876,782
Infrastructure:				
Roads	37,090,055	1,573,421	(816,766)	37,846,710
Traffic Signals	1,463,420	124,955	0	1,588,375
Rubberized Railroad Crossings	0	28,478	0	28,478
Storm Sewers	2,476,279	0	0	2,476,279
<i>Total Capital Assets Being Depreciated</i>	<u>65,930,779</u>	<u>2,298,534</u>	<u>(922,599)</u>	<u>67,306,714</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,615,426)	(374,048)	0	(1,989,474)
Machinery and Equipment	(1,263,193)	(356,068)	0	(1,619,261)
Furniture and Fixtures	(333,721)	(121,101)	0	(454,822)
Vehicles	(2,390,838)	(294,527)	105,833	(2,579,532)
Infrastructure:				
Roads	(20,331,205)	(2,155,162)	816,766	(21,669,601)
Traffic Signals	(147,766)	(62,797)	0	(210,563)
Rubberized Railroad Crossings	0	(5,340)	0	(5,340)
Storm Sewers	(529,052)	(48,136)	0	(577,188)
<i>Total Accumulated Depreciation</i>	<u>(26,611,201)</u>	<u>(3,417,179) *</u>	<u>922,599</u>	<u>(29,105,781)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>39,319,578</u>	<u>(1,118,645)</u>	<u>0</u>	<u>38,200,933</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$42,151,261</u>	<u>(\$402,609)</u>	<u>(\$459,132)</u>	<u>\$41,289,520</u>
	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	2,224,160	94,048	(356,127)	1,962,081
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$2,252,780</u>	<u>\$94,048</u>	<u>(\$356,127)</u>	<u>\$1,990,701</u>

**City of Bedford, Ohio**  
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	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<b>Business-Type Activities</b>				
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	\$7,517,039	\$8,001	\$0	\$7,525,040
Machinery and Equipment	6,305,002	22,648	0	6,327,650
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	256,933	23,070	(63,685)	216,318
Infrastructure:				
Water Lines	3,174,874	673,791	0	3,848,665
Sanitary Sewer Lines	2,734,342	208,925	0	2,943,267
<i>Total Capital Assets Being Depreciated</i>	<u>20,081,962</u>	<u>936,435</u>	<u>(63,685)</u>	<u>20,954,712</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,280,273)	(139,897)	0	(2,420,170)
Machinery and Equipment	(5,232,448)	(334,814)	0	(5,567,262)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(177,058)	(18,055)	55,310	(139,803)
Infrastructure:				
Water Lines	(565,906)	(41,754)	0	(607,660)
Sanitary Sewer Lines	(571,794)	(31,294)	0	(603,088)
<i>Total Accumulated Depreciation</i>	<u>(8,921,251)</u>	<u>(565,814)</u>	<u>55,310</u>	<u>(9,431,755)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>11,160,711</u>	<u>370,621</u>	<u>(8,375)</u>	<u>11,522,957</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$13,413,491</u>	<u>\$464,669</u>	<u>(\$364,502)</u>	<u>\$13,513,658</u>

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

General Government	\$484,347
Security of Persons and Property	
Police	175,263
Fire	185,960
Public Health and Welfare	2,312
Leisure Time Activities	75,944
Community Development	15,326
Basic Utilities Services	10,950
Transportation	<u>2,467,077</u>
Total	<u>\$3,417,179</u>



**City of Bedford, Ohio**  
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**Note 11 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$567,654, \$545,167, and \$558,189 respectively; 90.83 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$1,879 made by the City and \$1,179 made by the plan members.

***B. Ohio Police and Fire Pension Fund***

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

**City of Bedford, Ohio**  
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Plan members are required to contribute 10 percent of their annual covered salary to fund pension benefits while the employer is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$253,677 and \$311,312 for the year ended December 31, 2005, \$244,163 and \$301,091 for the year ended December 31, 2004 and \$227,027 and \$288,809 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 71.08 percent and 70.72 percent has been contributed for 2005.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2005, the unfunded liability of the City was \$205,488 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

## **Note 12 – 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 with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$237,761. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F 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 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment health care benefits were \$167,319 for police and \$148,472 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

**Note 13 - Notes Payable**

The City's note activity for the year ended December 31, 2005 is as follows:

	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005
<b>Governmental Activities</b>				
<b>Community Development Block Grant</b>				
2005 3.50%				
Washington Street	\$0	\$591,850	\$0	\$591,850
<b>Business-Type Activities</b>				
<b>Water Fund</b>				
2005 3.50%				
Washington Street Waterline	\$0	\$608,150	\$0	\$608,150

The note is backed by the full faith and credit of the City of Bedford and matures within one year. The note liability is reflected in the funds which received the proceeds. Notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

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**Note 14 - Construction and Other Significant Commitments**

The City was approved for an \$850,000 reimbursable grant from the State for the Tinkers Creek Commerce Park upgrade. The City paid contractors \$425,973 leaving \$424,027 remaining on the contract at year end.

**Note 15 - Long-term Obligations**

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

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
<i>General Obligation Bonds</i>				
City Hall	1999	2019	3.85-5.45 %	\$5,000,000
City Hall	2002	2027	3.0-5.0	5,200,000
City Hall Court	2002	2027	1.7-5.0	2,000,000
<i>Special Assessment Bonds</i>				
Palmetto	1985	2005	9.75	282,000
Rockside Road Water	1988	2008	7.50	195,300
Rockside Road Sanitary	1988	2008	7.50	217,000
Northfield and Rockside Resurfacing	1993	2012	6.50-6.40	250,000
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<i>Ohio Public Works Commission Loans</i>				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
<i>Police Pension</i>	1968	2035	4.25	245,922
<b>Business-Type Activities</b>				
<i>General Obligation Bonds</i>				
<i>Water</i>				
Water Refunding #1	2002	2017	1.45-4.65	690,000
Water Refunding #2	2002	2012	1.45-3.95	1,165,000
<i>Sewer</i>				
Sewer Improvement	2002	2022	3.00-5.00	725,000
<i>Ohio Water Development Loans</i>				
<i>Sewer</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	n/a	3.90	2,427,022
<i>Ohio Public Works Commission Loan</i>				
<i>Sewer</i>				
Flow Control	1995	2015	0.00	83,265
Oxidation Tower	2004	n/a	0.00	945,000
<i>Special Assessment Bonds</i>				
<i>Water</i>				
Krick Road Water	1995	2005	6.625-5.15	335,000

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

Changes in long-term obligations during the year ended December 31, 2005, consisted of the following:

	Balance 12/31/04	Increase	Decrease	Balance 12/31/05	Amounts Due in One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
City Hall	\$4,190,000	\$0	\$195,000	\$3,995,000	\$205,000
City Hall	5,030,000	0	135,000	4,895,000	140,000
City Hall Court	1,945,000	0	55,000	1,890,000	55,000
<i>Total General Obligation Bonds</i>	<u>11,165,000</u>	<u>0</u>	<u>385,000</u>	<u>10,780,000</u>	<u>400,000</u>
<i>Special Assessment Bonds</i>					
Palmetto	15,000	0	15,000	0	0
Rockside Road Water	49,500	0	9,000	40,500	13,500
Rockside Road Sanitary	5,500	0	1,000	4,500	1,500
Northfield and Rockside Resurfacing	130,000	0	15,000	115,000	15,000
Northfield and Rockside Resurfacing #2	510,000	0	35,000	475,000	35,000
<i>Total Special Assessment Bonds</i>	<u>710,000</u>	<u>0</u>	<u>75,000</u>	<u>635,000</u>	<u>65,000</u>
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	211,470	0	22,260	189,210	22,260
Wandle Avenue	414,863	0	25,929	388,934	25,929
<i>Total Ohio Public Works Commission Loans</i>	<u>626,333</u>	<u>0</u>	<u>48,189</u>	<u>578,144</u>	<u>48,189</u>
<i>Other Long-Term Obligations</i>					
Police Pension	208,940	0	3,452	205,488	3,600
Capital Leases Payable	1,133	16,650	2,327	15,456	2,998
Compensated Absences Payable	1,184,805	285,072	224,737	1,245,140	349,686
<i>Total Other Long-Term Obligations</i>	<u>1,394,878</u>	<u>301,722</u>	<u>230,516</u>	<u>1,466,084</u>	<u>356,284</u>
<i>Total Governmental Activities</i>	<u>\$13,896,211</u>	<u>\$301,722</u>	<u>\$738,705</u>	<u>\$13,459,228</u>	<u>\$869,473</u>
	Balance 12/31/04	Increase	Decrease	Balance 12/31/05	Amounts Due in One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$630,000	\$0	\$40,000	\$590,000	\$40,000
Unamortized Loss	(26,555)	0	(2,043)	(24,512)	0
Total Water Refunding #1	<u>603,445</u>	<u>0</u>	<u>37,957</u>	<u>565,488</u>	<u>40,000</u>
Water Refunding #2	1,010,000	0	115,000	895,000	115,000
Unamortized Loss	(36,894)	0	(4,612)	(32,282)	0
Total Water Refunding #2	<u>973,106</u>	<u>0</u>	<u>110,388</u>	<u>862,718</u>	<u>115,000</u>
Sewer Improvement	685,000	0	25,000	660,000	30,000
<i>Total General Obligation Bonds</i>	<u>\$2,261,551</u>	<u>\$0</u>	<u>\$173,345</u>	<u>\$2,088,206</u>	<u>\$185,000</u>

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

	Balance 12/31/04	Increase	Decrease	Balance 12/31/05	Amounts Due in One Year
<i>OWDA Loans</i>					
Sewer System	\$6,239,601	\$0	\$569,179	\$5,670,422	\$596,827
Unamortized Loss	(626,971)	0	(73,762)	(553,209)	0
Total Sewer System	5,612,630	0	495,417	5,117,213	596,827
Rapid Sandfilter	2,344,916	0	85,183	2,259,733	88,617
<i>Total OWDA Loans</i>	7,957,546	0	580,600	7,376,946	685,444
<i>OPWC Loans</i>					
Flow Control	41,633	0	4,163	37,470	4,163
Oxidation Tower Improvements	743,678	75,340	20,557	798,461	0
<i>Total OPWC Loans</i>	785,311	75,340	24,720	835,931	4,163
<i>Other Long-Term Liabilities</i>					
Krick Road Special Assessment Bond	40,000	0	40,000	0	0
Compensated Absences	106,695	14,578	13,824	107,449	24,008
<i>Total Other Long-Term Liabilities</i>	146,695	14,578	53,824	107,449	24,008
<i>Total Business-Type Activites</i>	\$11,151,103	\$89,918	\$832,489	\$10,408,532	\$898,615

General obligation bonds will be paid from the general obligation bond retirement debt service fund as well as user charges from the appropriate enterprise fund. Special assessment bonds will be paid from the proceeds of special assessments against benefited property owners. Special assessment monies will be received in and the debt will be retired from the special assessment debt service and the water enterprise funds. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

The OPWC loans will be paid from the general bond retirement debt service fund as well as user charges from the appropriate enterprise fund. The OWDA loans will be paid from user charges.

Compensated absences will be paid from the general fund, recreation, street construction maintenance and repair and fire medic levy special revenue funds and water and wastewater enterprise funds. The capital leases payable will be paid from the general fund. The police pension loan will be paid from the general fund.

The City of Bedford advance refunded the 1986 and 1990 Wastewater Bond issues in favor of a low interest loan from the Ohio Water Development Authority. The City also advance refunded the 1991 and 1997 Wastewater mortgage revenue bond and general obligation bond issues in favor of two low interest general obligation bond issues. Under GASB Statement No. 23, the City is amortizing the loss over the life of the new issue.

In 2003, the City defeased a 1991 water construction mortgage revenue bond issue and a 1997 water construction general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2005, \$1,355,000 of the defeased bonds are still outstanding.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

A line of credit has been established with the Ohio Public Works Commission in the amount \$945,000 for the Oxidation Tower, however, since this loan has not been finalized, a repayment schedule is not included in the schedule of debt service requirements.

The City's overall legal debt margin was \$23,018,912 at December 31, 2005. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2005, are as follows:

**Governmental Activities**

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2006	\$400,000	\$514,220	\$65,000	\$38,853	\$3,600	\$8,696	\$48,189
2007	415,000	499,196	70,000	34,930	3,755	8,541	48,189
2008	435,000	482,722	70,000	30,705	3,917	8,379	48,189
2009	450,000	464,550	60,000	26,440	4,085	8,211	48,189
2010	470,000	445,136	60,000	22,735	4,261	8,036	48,189
2011-2015	2,685,000	1,882,644	310,000	54,775	24,208	37,272	207,555
2016-2020	3,000,000	1,159,290	0	0	29,875	31,606	129,644
2021-2025	1,980,000	541,950	0	0	36,866	24,615	0
2026-2030	945,000	71,750	0	0	45,495	16,018	0
2031-2035	0	0	0	0	49,426	5,352	0
Total	<u>\$10,780,000</u>	<u>\$6,061,458</u>	<u>\$635,000</u>	<u>\$208,438</u>	<u>\$205,488</u>	<u>\$156,726</u>	<u>\$578,144</u>

**Business-Type Activities**

Year	General Obligation Bonds		OWDA Loans		OPWC Loan
	Principal	Interest	Principal	Interest	
2006	185,000	81,040	685,444	352,377	4,163
2007	190,000	76,404	717,926	319,896	4,163
2008	200,000	71,000	751,953	285,869	4,163
2009	205,000	64,650	787,599	250,222	4,163
2010	210,000	57,646	824,943	212,880	4,163
2011-2015	710,000	177,528	2,963,452	501,796	16,655
2016-2020	340,000	67,676	705,388	174,066	0
2021-2023	105,000	8,000	493,450	34,219	0
Total	<u>\$2,145,000</u>	<u>\$603,944</u>	<u>\$7,930,155</u>	<u>\$2,131,325</u>	<u>\$37,470</u>

**Note 16 - Capital Leases**

During 2005, the City entered into lease agreements for a copier. 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", and has been recorded on the government-wide statements. The equipment has been capitalized in the amount of \$16,650, the present value of the minimum lease payments at the inception of the lease. The book value as of December 31, 2005 was \$16,650.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

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

Year Ending December 31,	
2006	\$3,900
2007	3,900
2008	3,900
2009	3,900
2010	2,275
Total Minimum Lease Payments	17,875
Less: Amount Representing Interest	(2,419)
Present Value of Minimum Lease	\$15,456

Capital lease payments have been reclassified and reflected as debt service in the fund financial statement for the general fund. These expenditures are reflected as program expenditures on a budgetary basis.

**Note 17 - Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with the Ohio Municipal League Joint Insurance Group for all insurance. The coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Automobile Liability	\$5,000,000	
General Liability	5,000,000 per occurrence	\$1,000
Property Liability	33,729,113	1,000
Boiler and Machinery	10,000,000	1,000
Firefighters Errors and Omissions	5,000,000 per occurrence	1,000
Ambulance Professional	5,000,000 per occurrence	1,000
Law Enforcement Liability	5,000,000 per occurrence	2,500
Public Officials Liability	5,000,000 aggregate	2,500
Uninsured Motorists	25,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The City has elected to provide employee hospital/medical, prescription, dental, and vision insurance benefits through a partially self insured program. The City established a health insurance internal service fund to account for and finance the cost of this program.



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

The City has one hospitalization plan with no deductibles or other out of pocket expenses other than a \$25 deductible for non-admitted emergency room use and a \$20 co-pay for doctor office visits. The plan includes two levels of prescription deductibles and a partial reimbursement plan for dental and vision claims depending upon the type of claim.

Medical Mutual of Ohio serves as our third party administrator who reviews and processes medical, prescription, dental and vision claims which the City then pays after discounts are applied. The departments are charged an amount annually equal to the estimated costs for the year divided by the number of qualified covered employees.

The claims liability of \$100,035 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2005, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds claims liability amount in 2004 and 2005 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2004	\$102,306	\$1,959,283	\$1,923,969	\$137,620
2005	137,620	1,230,605	1,268,190	100,035

The claims liability of \$1,429 represent claims paid to Medical Mutual for the City's in house prisoners.

Workers' compensation coverage is provided by the State of Ohio. 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.

**Note 18 – Fund Deficits**

Special Revenue Funds	
Fire Medic Levy	\$69,568
Community Development Block Grant	250,111
Police Pension	72,975
Fire Pension	107,253
Capital Projects Fund	
Tinkers Creek Commerce Park	5,404
Internal Service Fund	
Health Insurance	4,970

The special revenue and capital project funds' deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

Management is currently analyzing the Health Insurance internal service fund's operations to determine appropriate steps to alleviate the deficit.

## Combining and Individual Fund Statements and Schedules

### 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.

***Community Development Block Grant Fund*** - To account for monies received from the Federal Government and expenditures as prescribed under the Community Development Block Grant Program.

***Enterprise Zone Fund*** - To account for monies collected from a contract with the City of Solon used to promote economic development for the City of Bedford.

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

***Indigent Drivers Fund*** - To account for the additional fees levied by the Bedford Municipal Court under State law. Such funds are to be used in the rehabilitation of DUI indigent citizens.

***Recreation Fund*** - To account for the receipts of recreation activity fees to pay for the cost of operating the City's recreation programs.

***SEAL Narcotics Fund*** - To account for monies received from the Governor's Office of Criminal Justice Services for the enforcement of drug law violations within multi-jurisdiction organizations.

***Cemetery Fund*** - To account for the operation and maintenance of City owned cemeteries.

***Enforcement and Education Fund*** - To account for court fines used to pay costs incurred in educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol.

***Street Lighting Fund*** - To account for the collection of special assessments for the purpose of providing street lighting.

***Street Construction, Maintenance and Repair Fund*** - To account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

***Law Enforcement Trust Fund*** - To account for monies received from the confiscated property and all fines from drug law violations to be used solely for drug law enforcement purposes.

***Motor Vehicle License Fund*** - To account for the City's share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and the purchase of road salt.

***Fire Equipment Fund*** - To account for ambulance reimbursements and for funding future small equipment and fire apparatus purchases.

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

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

**Grants Fund** - To account for monies received through donations given to the City for the food bank program and other various grants.

**Municipal Court Special Programs Fund** - To account for the receipts of specific municipal court fees and related expenditures.

**Housing Rehabilitation Program Fund** - To account for the accumulation of property assessments levied for the rehabilitation of outside premises of abandoned houses that the City has observed major building code violations.

**Police Pension Fund** - To account for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

**Fire Pension Fund** - To account for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

**Cemetery Trust Fund** - To account for donations used for maintaining gravesites.

### *Nonmajor Debt Service Fund*

Debt service funds are 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** - To account for resources used for the payment of principal and interest and fiscal charges on 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.)

**Municipal Court Improvement Fund** - To account for the receipt of specific court fees and related expenditures which are restricted to the purchase of equipment and supplies for the Court.

**Downtown Improvement Fund** - To account for the receipt of grant monies to be used for the downtown revitalization and the community development streetscape.

**Capital Improvement Fund** - To account for various revenues to be used for various capital improvements.

**Washington Street Fund** - To account for note proceeds to be used for the renovation of the Washington Street.

**Tinkers Creek Commerce Park Fund** - To account for note proceeds to be used for the renovation of the Tinkers Creek Commerce Park.

**City Hall Fund** - To account for income taxes and interest revenue to be used for the construction of the new City Hall.

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,131,448	\$47,794	\$1,710,805	\$4,890,047
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	46,733	0	0	46,733
Property Taxes Receivable	166,392	0	0	166,392
Accounts Receivable	2,210	0	0	2,210
Intergovernmental Receivable	438,649	0	425,995	864,644
Accrued Interest Receivable	1,689	0	1,684	3,373
Materials and Supplies Inventory	22,832	0	0	22,832
Prepaid Items	154	0	0	154
Special Assessments Receivable	315,661	0	0	315,661
<i>Total Assets</i>	<u>\$4,125,768</u>	<u>\$47,794</u>	<u>\$2,138,484</u>	<u>\$6,312,046</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$77,684	\$0	\$11,742	\$89,426
Accrued Wages and Benefits	40,469	0	0	40,469
Intergovernmental Payable	279,382	0	0	279,382
Interfund Payable	0	0	770,313	770,313
Deferred Revenue	687,778	0	0	687,778
Accrued Interest Payable	3,292	0	0	3,292
Notes Payable	591,850	0	0	591,850
Payable from Restricted Assets:				
Retainage Payable	46,733	0	0	46,733
<i>Total Liabilities</i>	<u>1,727,188</u>	<u>0</u>	<u>782,055</u>	<u>2,509,243</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	615,639	0	447,887	1,063,526
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	1,782,941	0	0	1,782,941
Debt Service Fund	0	47,794	0	47,794
Capital Projects Funds	0	0	908,542	908,542
<i>Total Fund Balances</i>	<u>2,398,580</u>	<u>47,794</u>	<u>1,356,429</u>	<u>3,802,803</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,125,768</u>	<u>\$47,794</u>	<u>\$2,138,484</u>	<u>\$6,312,046</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$161,236	\$0	\$0	\$161,236
Municipal Income Taxes	0	653,673	0	653,673
Charges for Services	434,562	0	0	434,562
Fines and Forfeitures	173,748	0	136,144	309,892
Intergovernmental	1,205,557	0	425,995	1,631,552
Special Assessments	306,802	0	0	306,802
Interest	69,336	8,178	32,787	110,301
Other	271,692	0	0	271,692
<i>Total Revenues</i>	<u>2,622,933</u>	<u>661,851</u>	<u>594,926</u>	<u>3,879,710</u>
<b>Expenditures</b>				
Current:				
General Government:	42,958	0	0	42,958
Security of Persons and Property:				
Police	739,365	0	0	739,365
Fire	734,412	0	0	734,412
Public Health and Welfare	117,934	0	0	117,934
Leisure Time Activities	1,226,523	0	0	1,226,523
Community Development	1,404,332	0	0	1,404,332
Basic Utility Services	276,966	0	0	276,966
Transportation	887,667	0	0	887,667
Capital Outlay	0	0	1,007,907	1,007,907
Debt Service:				
Principal Retirement	0	433,189	0	433,189
Interest and Fiscal Charges	3,292	527,806	0	531,098
<i>Total Expenditures</i>	<u>5,433,449</u>	<u>960,995</u>	<u>1,007,907</u>	<u>7,402,351</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,810,516)</u>	<u>(299,144)</u>	<u>(412,981)</u>	<u>(3,522,641)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	11,700	0	0	11,700
Transfers In	2,481,116	299,395	88,386	2,868,897
Transfers Out	(139,875)	0	(38,386)	(178,261)
<i>Total Other Financing Sources (Uses)</i>	<u>2,352,941</u>	<u>299,395</u>	<u>50,000</u>	<u>2,702,336</u>
<i>Net Change in Fund Balances</i>	(457,575)	251	(362,981)	(820,305)
<i>Fund Balances Beginning of Year</i>	<u>2,856,155</u>	<u>47,543</u>	<u>1,719,410</u>	<u>4,623,108</u>
<i>Fund Balances End of Year</i>	<u>\$2,398,580</u>	<u>\$47,794</u>	<u>\$1,356,429</u>	<u>\$3,802,803</u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2005*

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$251,840	\$60,641	\$46,883	\$99,630
Cash and Cash Equivalents with Fiscal Agents	46,733	0	0	0
Property Taxes Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	95,867	0	19,674	4,375
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$394,440</u>	<u>\$60,641</u>	<u>\$66,557</u>	<u>\$104,005</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$2,676	\$0	\$0	\$0
Accrued Wages and Benefits	0	4,256	0	0
Intergovernmental Payable	0	1,751	0	0
Deferred Revenue	0	0	12,371	0
Accrued Interest Payable	3,292	0	0	0
Notes Payable	591,850	0	0	0
Payable from Restricted Assets: Retainage Payable	46,733	0	0	0
<i>Total Liabilities</i>	<u>644,551</u>	<u>6,007</u>	<u>12,371</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	62,742	187	36,408	0
Unreserved, Undesignated (Deficit)	(312,853)	54,447	17,778	104,005
<i>Total Fund Balances (Deficit)</i>	<u>(250,111)</u>	<u>54,634</u>	<u>54,186</u>	<u>104,005</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$394,440</u>	<u>\$60,641</u>	<u>\$66,557</u>	<u>\$104,005</u>

Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair
\$110,342	\$71,430	\$74,401	\$50	\$236,466	\$866,261
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,210	0	0	0
0	14,426	0	0	0	249,522
0	0	0	0	0	0
22,832	0	0	0	0	0
154	0	0	0	0	0
0	0	0	0	315,661	0
<u>\$133,328</u>	<u>\$85,856</u>	<u>\$76,611</u>	<u>\$50</u>	<u>\$552,127</u>	<u>\$1,115,783</u>
\$8,733	\$2,995	\$0	\$0	\$22,508	\$37,530
25,818	0	3,274	0	0	7,121
13,064	0	1,413	0	0	3,452
0	0	0	0	315,661	159,287
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>47,615</u>	<u>2,995</u>	<u>4,687</u>	<u>0</u>	<u>338,169</u>	<u>207,390</u>
550	0	930	0	0	397,796
85,163	82,861	70,994	50	213,958	510,597
<u>85,713</u>	<u>82,861</u>	<u>71,924</u>	<u>50</u>	<u>213,958</u>	<u>908,393</u>
<u>\$133,328</u>	<u>\$85,856</u>	<u>\$76,611</u>	<u>\$50</u>	<u>\$552,127</u>	<u>\$1,115,783</u>

(continued)

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2005*

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$18,954	\$128,442	\$425,732	\$67,279
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Property Taxes Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	39,691	0	6,198
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$18,954</u>	<u>\$168,133</u>	<u>\$425,732</u>	<u>\$73,477</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$1,733	\$1,509
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	25,171	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
Payable from Restricted Assets: Retainage Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>25,171</u>	<u>1,733</u>	<u>1,509</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	3,189	96,856	6,793	10,188
Unreserved, Undesignated (Deficit)	15,765	46,106	417,206	61,780
<i>Total Fund Balances (Deficit)</i>	<u>18,954</u>	<u>142,962</u>	<u>423,999</u>	<u>71,968</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,954</u>	<u>\$168,133</u>	<u>\$425,732</u>	<u>\$73,477</u>



Municipal Court Special Programs	Housing Rehabilitation Program	Police Pension	Fire Pension	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$510,810	\$45,142	\$50,607	\$28,867	\$37,671	\$3,131,448
0	0	0	0	0	46,733
0	0	83,196	83,196	0	166,392
0	0	0	0	0	2,210
0	0	4,448	4,448	0	438,649
1,666	0	0	0	23	1,689
0	0	0	0	0	22,832
0	0	0	0	0	154
0	0	0	0	0	315,661
<u>\$512,476</u>	<u>\$45,142</u>	<u>\$138,251</u>	<u>\$116,511</u>	<u>\$37,694</u>	<u>\$4,125,768</u>
\$0	\$0	\$0	\$0	\$0	\$77,684
0	0	0	0	0	40,469
0	0	123,582	136,120	0	279,382
0	0	87,644	87,644	0	687,778
0	0	0	0	0	3,292
0	0	0	0	0	591,850
0	0	0	0	0	46,733
0	0	211,226	223,764	0	1,727,188
0	0	0	0	0	615,639
512,476	45,142	(72,975)	(107,253)	37,694	1,782,941
512,476	45,142	(72,975)	(107,253)	37,694	2,398,580
<u>512,476</u>	<u>45,142</u>	<u>(72,975)</u>	<u>(107,253)</u>	<u>37,694</u>	<u>2,398,580</u>
<u>\$512,476</u>	<u>\$45,142</u>	<u>\$138,251</u>	<u>\$116,511</u>	<u>\$37,694</u>	<u>\$4,125,768</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2005*

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	4,204	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	373,911	0	39,950	13,495
Special Assessments	0	0	0	0
Interest	255	1,894	789	2,618
Other	1,797	6,287	0	0
<i>Total Revenues</i>	<u>380,167</u>	<u>8,181</u>	<u>40,739</u>	<u>16,113</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health and Welfare	0	0	0	7,986
Leisure Time Activities	0	0	0	0
Community Development	1,122,530	281,802	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	25,702	0
Debt Service:				
Interest and Fiscal Charges	3,292	0	0	0
<i>Total Expenditures</i>	<u>1,125,822</u>	<u>281,802</u>	<u>25,702</u>	<u>7,986</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(745,655)</u>	<u>(273,621)</u>	<u>15,037</u>	<u>8,127</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	199,155	269,750	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>199,155</u>	<u>269,750</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(546,500)	(3,871)	15,037	8,127
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>296,389</u>	<u>58,505</u>	<u>39,149</u>	<u>95,878</u>
<i>End of Year</i>	<u>(\$250,111)</u>	<u>\$54,634</u>	<u>\$54,186</u>	<u>\$104,005</u>

Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair
\$0	\$0	\$0	\$0	\$0	\$0
95,048	0	43,426	0	0	0
0	0	0	0	0	0
0	76,549	0	525	0	493,563
0	0	0	0	306,802	0
3,566	0	2,110	8	4,892	24,458
218	221,176	120	0	0	0
<u>98,832</u>	<u>297,725</u>	<u>45,656</u>	<u>533</u>	<u>311,694</u>	<u>518,021</u>
0	0	0	0	0	0
0	255,454	0	1,425	0	0
0	0	0	0	0	0
0	0	101,339	0	0	0
1,199,755	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	271,194	0
0	0	0	0	0	733,066
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,199,755</u>	<u>255,454</u>	<u>101,339</u>	<u>1,425</u>	<u>271,194</u>	<u>733,066</u>
<u>(1,100,923)</u>	<u>42,271</u>	<u>(55,683)</u>	<u>(892)</u>	<u>40,500</u>	<u>(215,045)</u>
0	0	2,200	0	0	4,500
1,085,655	0	52,200	0	0	153,475
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,085,655</u>	<u>0</u>	<u>54,400</u>	<u>0</u>	<u>0</u>	<u>157,975</u>
(15,268)	42,271	(1,283)	(892)	40,500	(57,070)
<u>100,981</u>	<u>40,590</u>	<u>73,207</u>	<u>942</u>	<u>173,458</u>	<u>965,463</u>
<u>\$85,713</u>	<u>\$82,861</u>	<u>\$71,924</u>	<u>\$50</u>	<u>\$213,958</u>	<u>\$908,393</u>

(continued)

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2005*

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	290,749	1,135
Fines and Forfeitures	2,828	0	0	0
Intergovernmental	0	86,796	0	102,996
Special Assessments	0	0	0	0
Interest	497	2,672	8,367	0
Other	0	0	28,264	13,780
<i>Total Revenues</i>	<u>3,325</u>	<u>89,468</u>	<u>327,380</u>	<u>117,911</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	248	0	0	61,315
Fire	0	0	270,693	3,577
Public Health and Welfare	0	0	0	1,509
Leisure Time Activities	0	0	0	26,768
Community Development	0	0	0	0
Basic Utility Services	0	0	0	5,772
Transportation	0	128,899	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>248</u>	<u>128,899</u>	<u>270,693</u>	<u>98,941</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,077</u>	<u>(39,431)</u>	<u>56,687</u>	<u>18,970</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	5,000	0
Transfers In	0	0	0	14,721
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>14,721</u>
<i>Net Change in Fund Balances</i>	3,077	(39,431)	61,687	33,691
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>15,877</u>	<u>182,393</u>	<u>362,312</u>	<u>38,277</u>
<i>End of Year</i>	<u>\$18,954</u>	<u>\$142,962</u>	<u>\$423,999</u>	<u>\$71,968</u>

Municipal Court Special Programs	Housing Rehabilitation Program	Police Pension	Fire Pension	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$80,618	\$80,618	\$0	\$161,236
0	0	0	0	0	434,562
170,920	0	0	0	0	173,748
0	0	8,886	8,886	0	1,205,557
0	0	0	0	0	306,802
15,967	0	0	0	1,243	69,336
0	0	0	0	50	271,692
<u>186,887</u>	<u>0</u>	<u>89,504</u>	<u>89,504</u>	<u>1,293</u>	<u>2,622,933</u>
0	42,958	0	0	0	42,958
0	0	420,923	0	0	739,365
0	0	0	460,142	0	734,412
0	0	0	0	7,100	117,934
0	0	0	0	0	1,226,523
0	0	0	0	0	1,404,332
0	0	0	0	0	276,966
0	0	0	0	0	887,667
0	0	0	0	0	3,292
<u>0</u>	<u>42,958</u>	<u>420,923</u>	<u>460,142</u>	<u>7,100</u>	<u>5,433,449</u>
<u>186,887</u>	<u>(42,958)</u>	<u>(331,419)</u>	<u>(370,638)</u>	<u>(5,807)</u>	<u>(2,810,516)</u>
0	0	0	0	0	11,700
0	80,000	275,550	350,610	0	2,481,116
(139,875)	0	0	0	0	(139,875)
<u>(139,875)</u>	<u>80,000</u>	<u>275,550</u>	<u>350,610</u>	<u>0</u>	<u>2,352,941</u>
47,012	37,042	(55,869)	(20,028)	(5,807)	(457,575)
<u>465,464</u>	<u>8,100</u>	<u>(17,106)</u>	<u>(87,225)</u>	<u>43,501</u>	<u>2,856,155</u>
<u>\$512,476</u>	<u>\$45,142</u>	<u>(\$72,975)</u>	<u>(\$107,253)</u>	<u>\$37,694</u>	<u>\$2,398,580</u>

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**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2005*

	Municipal Court Improvement	Capital Improvement	Tinkers Creek Commerce Park	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$217,680	\$1,154,211	\$338,914	\$1,710,805
Intergovernmental Receivable	0	0	425,995	425,995
Accrued Interest Receivable	1,684	0	0	1,684
<i>Total Assets</i>	<u>\$219,364</u>	<u>\$1,154,211</u>	<u>\$764,909</u>	<u>\$2,138,484</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$11,742	\$0	\$11,742
Interfund Payable	0	0	770,313	770,313
<i>Total Liabilities</i>	<u>0</u>	<u>11,742</u>	<u>770,313</u>	<u>782,055</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	108,973	338,914	447,887
Unreserved, Undesignated (Deficit)	219,364	1,033,496	(344,318)	908,542
<i>Total Fund Balances (Deficit)</i>	<u>219,364</u>	<u>1,142,469</u>	<u>(5,404)</u>	<u>1,356,429</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$219,364</u>	<u>\$1,154,211</u>	<u>\$764,909</u>	<u>\$2,138,484</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2005*

	Municipal Court Improvement	Downtown Improvement	Capital Improvement
<b>Revenues</b>			
Fines and Forfeitures	\$136,144	\$0	\$0
Intergovernmental	0	0	0
Interest	6,227	0	26,560
<i>Total Revenues</i>	142,371	0	26,560
<b>Expenditures</b>			
Capital Outlay	141,776	11,604	421,015
<i>Excess of Revenues Over Under Expenditures</i>	595	(11,604)	(394,455)
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	0	88,386
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	0	0	88,386
<i>Net Change in Fund Balances</i>	595	(11,604)	(306,069)
<i>Fund Balances Beginning of Year</i>	218,769	11,604	1,448,538
<i>Fund Balances (Deficit) End of Year</i>	\$219,364	\$0	\$1,142,469



Tinkers Creek Commerce Park	City Hall	Total Nonmajor Capital Projects Funds
\$0	\$0	\$136,144
425,995	0	425,995
<u>0</u>	<u>0</u>	<u>32,787</u>
425,995	0	594,926
<u>431,399</u>	<u>2,113</u>	<u>1,007,907</u>
<u>(5,404)</u>	<u>(2,113)</u>	<u>(412,981)</u>
0	0	88,386
<u>0</u>	<u>(38,386)</u>	<u>(38,386)</u>
<u>0</u>	<u>(38,386)</u>	<u>50,000</u>
(5,404)	(40,499)	(362,981)
<u>0</u>	<u>40,499</u>	<u>1,719,410</u>
<u><u>(\$5,404)</u></u>	<u><u>\$0</u></u>	<u><u>\$1,356,429</u></u>

## **Combining Statement - Agency Funds**

### ***Agency Funds***

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

***Municipal Court Fund*** - To account for assets received and disbursed by the Bedford Municipal Court to the participating cities pursuant to the laws of the State of Ohio.

***State Inspection Fee Fund*** - To account for receipts associated with the State Inspection Fee Program.

**City of Bedford, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2005*

	Beginning Balance 12/31/04	Additions	Deductions	Ending Balance 12/31/05
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents In Segregated Accounts	\$36,347	\$4,381,590	\$4,376,436	\$41,501
<b>Liabilities</b>				
Deposits Held and Due to Others	\$36,347	\$4,381,590	\$4,376,436	\$41,501
 <b><i>State Inspection Fee</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$39	\$991	\$950	\$80
<b>Liabilities</b>				
Deposits Held and Due to Others	\$39	\$991	\$950	\$80
 <b><i>All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$39	\$991	\$950	\$80
Cash and Cash Equivalents In Segregated Accounts	36,347	4,381,590	4,376,436	41,501
<b>Total Assets</b>	<b>\$36,386</b>	<b>\$4,382,581</b>	<b>\$4,377,386</b>	<b>\$41,581</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$36,386	\$4,382,581	\$4,377,386	\$41,581

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

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$2,521,115	\$2,621,115	\$2,627,116	\$6,001
Municipal Income Taxes	9,504,000	9,749,000	9,805,100	56,100
Charges for Services	285,900	285,900	277,396	(8,504)
Fees, Licenses and Permits	135,050	135,050	145,155	10,105
Fines and Forfeitures	1,141,380	1,141,380	1,158,819	17,439
Intergovernmental	1,750,270	1,750,270	1,780,488	30,218
Interest	175,000	175,000	204,368	29,368
Rentals	0	0	1,200	1,200
Other	38,000	38,000	19,704	(18,296)
<i>Total Revenues</i>	<u>15,550,715</u>	<u>15,895,715</u>	<u>16,019,346</u>	<u>123,631</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council and Clerk:				
Personal Services	224,493	224,493	224,484	9
Other	78,682	81,816	51,377	30,439
Total Council and Clerk	<u>303,175</u>	<u>306,309</u>	<u>275,861</u>	<u>30,448</u>
Finance Department:				
Personal Services	336,894	342,666	316,124	26,542
Capital Outlay	16,100	31,100	27,964	3,136
Other	376,432	355,660	343,010	12,650
Total Finance Department	<u>729,426</u>	<u>729,426</u>	<u>687,098</u>	<u>42,328</u>
Income Tax Department:				
Personal Services	176,506	178,931	175,005	3,926
Other	147,576	151,151	117,667	33,484
Total Income Tax Department	<u>324,082</u>	<u>330,082</u>	<u>292,672</u>	<u>37,410</u>
City Manager:				
Personal Services	269,638	267,639	250,520	17,119
Other	31,111	33,110	12,248	20,862
Total City Manager	<u>\$300,749</u>	<u>\$300,749</u>	<u>\$262,768</u>	<u>\$37,981</u>

(continued)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$110,480	\$110,480	\$109,756	\$724
Other	113,000	113,000	102,818	10,182
Total Law Department	223,480	223,480	212,574	10,906
Engineering:				
Personal Services	17,515	17,515	14,637	2,878
Other	36,000	36,000	34,939	1,061
Total Engineering	53,515	53,515	49,576	3,939
Municipal Court:				
Personal Services	1,674,143	1,674,143	1,552,497	121,646
Other	207,000	207,000	162,449	44,551
Total Municipal Court	1,881,143	1,881,143	1,714,946	166,197
Special Projects:				
Other	78,000	78,000	76,331	1,669
Civil Service Commission:				
Personal Services	3,695	3,695	2,223	1,472
Other	25,500	25,500	18,597	6,903
Total Civil Service Commission	29,195	29,195	20,820	8,375
Land and Building:				
Personal Services	133,614	135,114	125,598	9,516
Other	526,485	546,985	429,569	117,416
Total Land and Building	660,099	682,099	555,167	126,932
County Auditor Deductions:				
Other	57,000	57,000	56,610	390
Total General Government	\$4,639,864	\$4,670,998	\$4,204,423	\$466,575

(continued)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$3,462,931	\$3,472,032	\$3,423,850	\$48,182
Capital Outlay	143,099	311,865	311,865	0
Other	316,225	155,358	132,400	22,958
Total Security of Persons and Property	3,922,255	3,939,255	3,868,115	71,140
Public Health and Welfare:				
Health Department:				
Other	47,620	47,620	47,617	3
Leisure Time Activities:				
Parks and Playground:				
Personal Services	14,720	14,720	8,207	6,513
Capital Outlay	0	1,000	888	112
Other	260,161	261,161	255,624	5,537
Total Leisure Time Activities	274,881	276,881	264,719	12,162
Community Development:				
Planning Commission Department:				
Personal Services	2,000	2,000	1,300	700
Other	3,700	3,700	1,604	2,096
Total Planning Commission Department	5,700	5,700	2,904	2,796
Board of Zoning Appeals:				
Other	600	600	400	200
Building Department:				
Personal Services	369,015	372,018	371,649	369
Other	32,211	35,208	27,375	7,833
Total Building Department	401,226	407,226	399,024	8,202
Total Community Development	407,526	413,526	402,328	11,198
Basic Utility Services:				
Refuse Collection:				
Personal Services	\$498,000	\$502,500	\$452,303	\$50,197

(continued)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation:				
Service Department:				
Personal Services	\$1,536,946	\$1,534,446	\$1,484,672	\$49,774
Capital Outlay	4,800	7,300	5,249	2,051
Other	53,941	53,941	22,057	31,884
Total Transportation	1,595,687	1,595,687	1,511,978	83,709
<i>Total Expenditures</i>	11,385,833	11,446,467	10,751,483	694,984
<i>Excess of Revenues Over Expenditures</i>	4,164,882	4,449,248	5,267,863	818,615
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	12,000	83,236	69,104	(14,132)
Advances Out	(770,313)	(770,313)	(770,313)	0
Transfers Out	(3,485,902)	(4,533,323)	(4,453,636)	79,687
<i>Total Other Financing Sources (Uses)</i>	(4,244,215)	(5,220,400)	(5,154,845)	65,555
<i>Net Change in Fund Balance</i>	(79,333)	(771,152)	113,018	884,170
<i>Fund Balance Beginning of Year</i>	7,119,723	7,119,723	7,119,723	0
Prior Year Encumbrances Appropriated	196,352	196,352	196,352	0
<i>Fund Balance End of Year</i>	\$7,236,742	\$6,544,923	\$7,429,093	\$884,170



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Medic Levy Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$750,465	\$750,465	\$752,436	\$1,971
Fees, Licenses and Permits	690	690	2,410	1,720
Intergovernmental	78,780	78,780	82,936	4,156
Interest	5,000	5,000	2,985	(2,015)
Other	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	<u>835,935</u>	<u>835,935</u>	<u>840,767</u>	<u>4,832</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	2,418,857	2,440,857	2,440,223	634
Capital Outlay	500	500	500	0
Other	136,000	141,500	140,849	651
<i>Total Expenditures</i>	<u>2,555,357</u>	<u>2,582,857</u>	<u>2,581,572</u>	<u>1,285</u>
<i>Excess of Revenues Under Expenditures</i>	(1,719,422)	(1,746,922)	(1,740,805)	6,117
<b>Other Financing Sources</b>				
Transfers In	1,633,000	1,683,000	1,683,000	0
<i>Net Change in Fund Balance</i>	(86,422)	(63,922)	(57,805)	6,117
<i>Fund Balance Beginning of Year</i>	109,743	109,743	109,743	0
Prior Year Encumbrances Appropriated	574	574	574	0
<i>Fund Balance End of Year</i>	<u>\$23,895</u>	<u>\$46,395</u>	<u>\$52,512</u>	<u>\$6,117</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$118,783	\$118,783	\$109,910	(\$8,873)
Interest	2,000	2,000	6,020	4,020
<i>Total Revenues</i>	<u>120,783</u>	<u>120,783</u>	<u>115,930</u>	<u>(4,853)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	75,000	75,000	75,000	0
Interest and Fiscal Charges	43,783	43,783	43,783	0
<i>Total Expenditures</i>	<u>118,783</u>	<u>118,783</u>	<u>118,783</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,000	2,000	(2,853)	(4,853)
<i>Fund Balance Beginning of Year</i>	<u>193,294</u>	<u>193,294</u>	<u>193,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$195,294</u></u>	<u><u>\$195,294</u></u>	<u><u>\$190,441</u></u>	<u><u>(\$4,853)</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$3,433,700	\$3,433,700	\$3,394,865	(\$38,835)
Other	4,000	4,000	6,870	2,870
Interest	20,000	20,000	31,832	11,832
General Obligation Notes Issued	0	608,823	608,150	(673)
Other Non-Operating	42,060	42,060	16,556	(25,504)
<i>Total Revenues</i>	<u>3,499,760</u>	<u>4,108,583</u>	<u>4,058,273</u>	<u>(50,310)</u>
<b>Expenses</b>				
Personal Services	448,400	460,343	452,663	7,680
Contractual Services	2,650,000	2,711,168	2,655,119	56,049
Materials and Supplies	48,971	59,086	56,739	2,347
Capital Outlay	218,089	633,198	576,911	56,287
Other	25,700	21,600	18,756	2,844
Other Non-Operating	2,500	2,500	754	1,746
Debt Service:				
Principal Retirement	195,000	195,000	195,000	0
Interest and Fiscal Charges	57,160	57,160	57,158	2
Bond Issuance Costs	0	40,000	0	40,000
<i>Total Expenses</i>	<u>3,645,820</u>	<u>4,180,055</u>	<u>4,013,100</u>	<u>166,955</u>
<i>Net Change in Fund Equity</i>	(146,060)	(71,472)	45,173	116,645
<i>Fund Equity Beginning of Year</i>	1,085,580	1,085,580	1,085,580	0
Prior Year Encumbrances Appropriated	<u>95,466</u>	<u>95,466</u>	<u>95,466</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,034,986</u></u>	<u><u>\$1,109,574</u></u>	<u><u>\$1,226,219</u></u>	<u><u>\$116,645</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Wastewater Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,170,000	\$2,170,000	\$2,134,120	(\$35,880)
Municipal Income Taxes	422,400	424,400	435,782	11,382
Interest	30,000	38,000	56,204	18,204
Proceeds of OPWC Loans	0	573,040	75,340	(497,700)
Capital Grants	0	0	10,986	10,986
Other Non-Operating	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	2,623,400	3,206,440	2,712,432	(494,008)
<b>Expenses</b>				
Personal Services	864,500	878,700	841,597	37,103
Contractual Services	37,000	94,035	92,761	1,274
Materials and Supplies	318,135	342,258	315,578	26,680
Capital Outlay	317,256	922,654	159,043	763,611
Other	63,200	55,815	43,470	12,345
Other Non-Operating	2,500	2,500	1,645	855
Debt Service:				
Principal Retirement	730,935	730,935	704,082	26,853
Interest and Fiscal Charges	413,200	413,200	413,024	176
<i>Total Expenses</i>	2,746,726	3,440,097	2,571,200	868,897
<i>Net Change in Fund Equity</i>	(123,326)	(233,657)	141,232	374,889
<i>Fund Equity Beginning of Year</i>	2,114,964	2,114,964	2,114,964	0
Prior Year Encumbrances Appropriated	114,556	114,556	114,556	0
<i>Fund Equity End of Year</i>	\$2,106,194	\$1,995,863	\$2,370,752	\$374,889

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$3,500	\$3,500	\$4,204	\$704
Intergovernmental	31,500	370,412	279,304	(91,108)
Interest	0	0	255	255
Other	0	0	1,797	1,797
<i>Total Revenues</i>	35,000	373,912	285,560	(88,352)
<b>Expenditures</b>				
Current:				
Community Development:				
CDBG Department:				
Other	55,714	1,337,284	1,263,018	74,266
<i>Excess of Revenues Under Expenditures</i>	(20,714)	(963,372)	(977,458)	(14,086)
<b>Other Financing Sources</b>				
General Obligation Notes Issued	0	592,497	591,850	(647)
Transfers In	0	199,155	199,155	0
<i>Total Other Financing Sources</i>	0	791,652	791,005	(647)
<i>Net Change in Fund Balance</i>	(20,714)	(171,720)	(186,453)	(14,733)
<i>Fund Balance Beginning of Year</i>	354,837	354,837	354,837	0
Prior Year Encumbrances Appropriated	20,713	20,713	20,713	0
<i>Fund Balance End of Year</i>	\$354,836	\$203,830	\$189,097	(\$14,733)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enterprise Zone Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$250	\$250	\$1,894	\$1,644
Other	6,550	6,550	6,287	(263)
<i>Total Revenues</i>	6,800	6,800	8,181	1,381
<b>Expenditures</b>				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	91,727	92,227	89,646	2,581
Other	143,437	216,412	191,836	24,576
<i>Total Expenditures</i>	235,164	308,639	281,482	27,157
<i>Excess of Revenues Under Expenditures</i>	(228,364)	(301,839)	(273,301)	28,538
<b>Other Financing Sources</b>				
Transfers In	214,750	269,750	269,750	0
<i>Net Change in Fund Balance</i>	(13,614)	(32,089)	(3,551)	28,538
<i>Fund Balance Beginning of Year</i>	48,051	48,051	48,051	0
Prior Year Encumbrances Appropriated	15,954	15,954	15,954	0
<i>Fund Balance End of Year</i>	\$50,391	\$31,916	\$60,454	\$28,538

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$35,500	\$35,500	\$38,748	\$3,248
Interest	500	500	789	289
<i>Total Revenues</i>	36,000	36,000	39,537	3,537
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	63,196	63,196	62,110	1,086
<i>Net Change in Fund Balance</i>	(27,196)	(27,196)	(22,573)	4,623
<i>Fund Balance Beginning of Year</i>	5,853	5,853	5,853	0
Prior Year Encumbrances Appropriated	27,194	27,194	27,194	0
<i>Fund Balance End of Year</i>	<u>\$5,851</u>	<u>\$5,851</u>	<u>\$10,474</u>	<u>\$4,623</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Drivers Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$18,000	\$18,000	\$14,689	(\$3,311)
Interest	1,750	1,750	2,618	868
<i>Total Revenues</i>	19,750	19,750	17,307	(2,443)
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	60,000	60,000	7,986	52,014
<i>Net Change in Fund Balance</i>	(40,250)	(40,250)	9,321	49,571
<i>Fund Balance Beginning of Year</i>	90,084	90,084	90,084	0
<i>Fund Balance End of Year</i>	\$49,834	\$49,834	\$99,405	\$49,571



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$110,205	\$110,205	\$95,048	(\$15,157)
Interest	2,000	2,000	3,566	1,566
Other	1,375	1,375	218	(1,157)
<i>Total Revenues</i>	<u>113,580</u>	<u>113,580</u>	<u>98,832</u>	<u>(14,748)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	319,260	299,260	268,893	30,367
Capital Outlay	10,000	10,000	8,734	1,266
Other	145,550	167,050	161,564	5,486
Total Playgrounds	<u>474,810</u>	<u>476,310</u>	<u>439,191</u>	<u>37,119</u>
Swimming Pool:				
Personal Services	136,030	145,043	144,535	508
Capital Outlay	9,000	44	0	44
Other	50,300	53,242	50,303	2,939
Total Swimming Pool	<u>195,330</u>	<u>198,329</u>	<u>194,838</u>	<u>3,491</u>
Ellenwood Center:				
Personal Services	410,721	429,428	424,416	5,012
Capital Outlay	42,512	41,277	38,451	2,826
Other	101,200	105,735	103,277	2,458
Total Ellenwood Center	<u>554,433</u>	<u>576,440</u>	<u>566,144</u>	<u>10,296</u>
<i>Total Expenditures</i>	<u>1,224,573</u>	<u>1,251,079</u>	<u>1,200,173</u>	<u>50,906</u>
<i>Excess of Revenues Under Expenditures</i>	(1,110,993)	(1,137,499)	(1,101,341)	36,158
<b>Other Financing Sources</b>				
Transfers In	1,085,655	1,085,655	1,085,655	0
<i>Net Change in Fund Balance</i>	(25,338)	(51,844)	(15,686)	36,158
<i>Fund Balance Beginning of Year</i>	115,266	115,266	115,266	0
Prior Year Encumbrances Appropriated	<u>10,212</u>	<u>10,212</u>	<u>10,212</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$100,140</u>	<u>\$73,634</u>	<u>\$109,792</u>	<u>\$36,158</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SEAL Narcotics Fund**  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$79,617	\$83,556	\$69,130	(\$14,426)
Other	221,174	221,176	221,176	0
<i>Total Revenues</i>	<u>300,791</u>	<u>304,732</u>	<u>290,306</u>	<u>(14,426)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	192,110	192,110	184,858	7,252
Capital Outlay	64,709	64,709	2,466	62,243
Other	77,555	81,496	65,135	16,361
<i>Total Expenditures</i>	<u>334,374</u>	<u>338,315</u>	<u>252,459</u>	<u>85,856</u>
<i>Net Change in Fund Balance</i>	(33,583)	(33,583)	37,847	71,430
<i>Fund Balance Beginning of Year</i>	33,363	33,363	33,363	0
Prior Year Encumbrances Appropriated	220	220	220	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$71,430</u>	<u>\$71,430</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$54,345	\$54,345	\$43,950	(\$10,395)
Interest	1,000	1,000	2,110	1,110
Other	500	500	120	(380)
<i>Total Revenues</i>	<i>55,845</i>	<i>55,845</i>	<i>46,180</i>	<i>(9,665)</i>
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	90,083	90,083	81,297	8,786
Capital Outlay	2,200	5,700	0	5,700
Other	23,700	30,600	22,477	8,123
<i>Total Expenditures</i>	<i>115,983</i>	<i>126,383</i>	<i>103,774</i>	<i>22,609</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(60,138)</i>	<i>(70,538)</i>	<i>(57,594)</i>	<i>12,944</i>
<b>Other Financing Sources</b>				
Sale of Capital Assets	0	0	2,200	2,200
Transfers In	50,000	52,200	52,200	0
<i>Total Other Financing Sources</i>	<i>50,000</i>	<i>52,200</i>	<i>54,400</i>	<i>2,200</i>
<i>Net Change in Fund Balance</i>	<i>(10,138)</i>	<i>(18,338)</i>	<i>(3,194)</i>	<i>15,144</i>
<i>Fund Balance Beginning of Year</i>	<i>76,632</i>	<i>76,632</i>	<i>76,632</i>	<i>0</i>
Prior Year Encumbrances Appropriated	33	33	33	0
<i>Fund Balance End of Year</i>	<i>\$66,527</i>	<i>\$58,327</i>	<i>\$73,471</i>	<i>\$15,144</i>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$2,000	\$475	\$500	\$25
Interest	300	8	8	0
<i>Total Revenues</i>	<u>2,300</u>	<u>483</u>	<u>508</u>	<u>25</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,050	1,375	1,375	0
Other	0	50	50	0
<i>Total Expenditures</i>	<u>2,050</u>	<u>1,425</u>	<u>1,425</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	250	(942)	(917)	25
<i>Fund Balance Beginning of Year</i>	<u>942</u>	<u>942</u>	<u>942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,192</u></u>	<u><u>\$0</u></u>	<u><u>\$25</u></u>	<u><u>\$25</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$280,565	\$280,565	\$306,802	\$26,237
Interest	2,000	2,000	4,892	2,892
<i>Total Revenues</i>	282,565	282,565	311,694	29,129
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	280,000	280,000	271,154	8,846
<i>Net Change in Fund Balance</i>	2,565	2,565	40,540	37,975
<i>Fund Balance Beginning of Year</i>	195,926	195,926	195,926	0
<i>Fund Balance End of Year</i>	<u>\$198,491</u>	<u>\$198,491</u>	<u>\$236,466</u>	<u>\$37,975</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$398,450	\$398,450	\$479,439	\$80,989
Interest	15,000	15,000	24,458	9,458
Other	150	150	0	(150)
<i>Total Revenues</i>	<u>413,600</u>	<u>413,600</u>	<u>503,897</u>	<u>90,297</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	183,089	193,089	178,140	14,949
Capital Outlay	183,061	183,811	134,397	49,414
Other	874,973	880,223	838,259	41,964
<i>Total Expenditures</i>	<u>1,241,123</u>	<u>1,257,123</u>	<u>1,150,796</u>	<u>106,327</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(827,523)</u>	<u>(843,523)</u>	<u>(646,899)</u>	<u>196,624</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	0	0	4,500	4,500
Transfers In	153,475	153,475	153,475	0
<i>Total Other Financing Sources</i>	<u>153,475</u>	<u>153,475</u>	<u>157,975</u>	<u>4,500</u>
<i>Net Change in Fund Balance</i>	(674,048)	(690,048)	(488,924)	201,124
<i>Fund Balance Beginning of Year</i>	419,239	419,239	419,239	0
Prior Year Encumbrances Appropriated	507,574	507,574	507,574	0
<i>Fund Balance End of Year</i>	<u>\$252,765</u>	<u>\$236,765</u>	<u>\$437,889</u>	<u>\$201,124</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$0	\$2,828	\$2,828	\$0
Interest	150	150	497	347
<i>Total Revenues</i>	<u>150</u>	<u>2,978</u>	<u>3,325</u>	<u>347</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Capital Outlay	0	3,900	3,037	863
Other	1,500	400	400	0
<i>Total Expenditures</i>	<u>1,500</u>	<u>4,300</u>	<u>3,437</u>	<u>863</u>
<i>Net Change in Fund Balance</i>	(1,350)	(1,322)	(112)	1,210
<i>Fund Balance Beginning of Year</i>	<u>15,877</u>	<u>15,877</u>	<u>15,877</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,527</u></u>	<u><u>\$14,555</u></u>	<u><u>\$15,765</u></u>	<u><u>\$1,210</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$92,000	\$92,000	\$85,402	(\$6,598)
Interest	3,000	3,000	2,672	(328)
<i>Total Revenues</i>	95,000	95,000	88,074	(6,926)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	247,328	247,328	247,328	0
<i>Net Change in Fund Balance</i>	(152,328)	(152,328)	(159,254)	(6,926)
<i>Fund Balance Beginning of Year</i>	38,512	38,512	38,512	0
Prior Year Encumbrances Appropriated	152,328	152,328	152,328	0
<i>Fund Balance End of Year</i>	<u>\$38,512</u>	<u>\$38,512</u>	<u>\$31,586</u>	<u>(\$6,926)</u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Equipment Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$190,000	\$270,000	\$290,749	\$20,749
Interest	4,000	6,700	8,367	1,667
Other	0	28,164	28,264	100
<i>Total Revenues</i>	<u>194,000</u>	<u>304,864</u>	<u>327,380</u>	<u>22,516</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Equipment:				
Capital Outlay	94,090	125,136	125,136	0
Other	241,961	241,961	241,573	388
<i>Total Expenditures</i>	<u>336,051</u>	<u>367,097</u>	<u>366,709</u>	<u>388</u>
<i>Excess of Revenues Under Expenditures</i>	(142,051)	(62,233)	(39,329)	22,904
<b>Other Financing Sources</b>				
Sale of Capital Assets	0	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(142,051)	(57,233)	(34,329)	22,904
<i>Fund Balance Beginning of Year</i>	200,217	200,217	200,217	0
Prior Year Encumbrances Appropriated	253,051	253,051	253,051	0
<i>Fund Balance End of Year</i>	<u>\$311,217</u>	<u>\$396,035</u>	<u>\$418,939</u>	<u>\$22,904</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grants Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,045	\$900	\$1,135	\$235
Intergovernmental	91,621	106,734	101,771	(4,963)
Other	10,900	10,900	13,900	3,000
<i>Total Revenues</i>	<u>103,566</u>	<u>118,534</u>	<u>116,806</u>	<u>(1,728)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Police Department:				
Other	5,000	15,000	4,224	10,776
Purdue/Ben Venue Grant				
Capital Outlay	2,500	2,500	1,912	588
Community Diversion:				
Personal Services	19,302	19,867	19,867	0
Other	933	933	700	233
Total Community Diversion	<u>20,235</u>	<u>20,800</u>	<u>20,567</u>	<u>233</u>
McDonalds Police Grant				
Other	500	500	496	4
Violence Against Women:				
Personal Services	30,693	30,693	29,952	741
Other	200	200	200	0
Total Violence Against Women	<u>30,893</u>	<u>30,893</u>	<u>30,152</u>	<u>741</u>
DARE Enforcement:				
Personal Services	2,175	2,175	2,175	0
Other	866	1,884	1,884	0
Total DARE Enforcement	<u>3,041</u>	<u>4,059</u>	<u>4,059</u>	<u>0</u>
Target Grant:				
Other	300	300	0	300
Total Police	<u>\$62,469</u>	<u>\$74,052</u>	<u>\$61,410</u>	<u>\$12,642</u>

(continued)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grants Fund (continued)*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department:				
Other	\$5,000	\$19,776	\$13,133	\$6,643
Smoke Detector Grant:				
Other	76	76	76	0
Total Fire	5,076	19,852	13,209	6,643
Total Security of Persons and Property	67,545	93,904	74,619	19,285
Leisure Time Activities:				
Food bank - Recreation:				
Other	4,500	4,500	3,550	950
Municipal Elderly Friendly:				
Personal Services	26,295	26,295	17,231	9,064
Other	14,793	14,793	5,987	8,806
Total Food bank - Recreation	41,088	41,088	23,218	17,870
Total Leisure Time Activities	45,588	45,588	26,768	18,820
Basic Utility Services:				
Service Department:				
Other	6,232	6,232	6,232	0
<i>Total Expenditures</i>	119,365	145,724	107,619	38,105
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,799)	(27,190)	9,187	36,377
<b>Other Financing Sources</b>				
Transfers In	4,500	14,721	14,721	0
<i>Net Change in Fund Balance</i>	(11,299)	(12,469)	23,908	36,377
<i>Fund Balance Beginning of Year</i>	33,184	33,184	33,184	0
<i>Fund Balance End of Year</i>	\$21,885	\$20,715	\$57,092	\$36,377

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Special Programs Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$160,000	\$160,000	\$172,025	\$12,025
Interest	8,000	8,000	15,206	7,206
<i>Total Revenues</i>	168,000	168,000	187,231	19,231
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	168,000	168,000	187,231	19,231
<b>Other Financing Uses</b>				
Transfers Out	(139,875)	(139,875)	(139,875)	0
<i>Net Change in Fund Balance</i>	28,125	28,125	47,356	19,231
<i>Fund Balance Beginning of Year</i>	449,577	449,577	449,577	0
<i>Fund Balance End of Year</i>	<u>\$477,702</u>	<u>\$477,702</u>	<u>\$496,933</u>	<u>\$19,231</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Housing Rehabilitation Program Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
General Government:				
Housing Rehabilitation				
Capital Outlay	80,000	80,000	42,958	37,042
<i>Excess of Revenues Under Expenditures</i>	(80,000)	(80,000)	(42,958)	37,042
<b>Other Financing Sources</b>				
Transfers In	80,000	80,000	80,000	0
<i>Net Change in Fund Balance</i>	0	0	37,042	37,042
<i>Fund Balance Beginning of Year</i>	8,100	8,100	8,100	0
<i>Fund Balance End of Year</i>	\$8,100	\$8,100	\$45,142	\$37,042

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$80,410	\$80,410	\$80,618	\$208
Intergovernmental	8,440	8,440	8,886	446
<i>Total Revenues</i>	88,850	88,850	89,504	654
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	410,745	419,530	419,529	1
<i>Excess of Revenues Under Expenditures</i>	(321,895)	(330,680)	(330,025)	655
<b>Other Financing Sources</b>				
Transfers In	275,550	275,550	275,550	0
<i>Net Change in Fund Balance</i>	(46,345)	(55,130)	(54,475)	655
<i>Fund Balance Beginning of Year</i>	105,082	105,082	105,082	0
<i>Fund Balance End of Year</i>	\$58,737	\$49,952	\$50,607	\$655

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$80,410	\$80,410	\$80,618	\$208
Intergovernmental	8,440	8,440	8,886	446
<i>Total Revenues</i>	88,850	88,850	89,504	654
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	452,000	452,375	452,375	0
<i>Excess of Revenues Under Expenditures</i>	(363,150)	(363,525)	(362,871)	654
<b>Other Financing Sources</b>				
Transfers In	350,610	350,610	350,610	0
<i>Net Change in Fund Balance</i>	(12,540)	(12,915)	(12,261)	654
<i>Fund Balance Beginning of Year</i>	41,128	41,128	41,128	0
<i>Fund Balance End of Year</i>	\$28,588	\$28,213	\$28,867	\$654

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Trust Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$1,800	\$1,800	\$1,233	(\$567)
Other	50	50	50	0
<i>Total Revenues</i>	1,850	1,850	1,283	(567)
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery Trust:				
Other	2,000	9,100	7,100	2,000
<i>Net Change in Fund Balance</i>	(150)	(7,250)	(5,817)	1,433
<i>Fund Balance Beginning of Year</i>	43,488	43,488	43,488	0
<i>Fund Balance End of Year</i>	<u>\$43,338</u>	<u>\$36,238</u>	<u>\$37,671</u>	<u>\$1,433</u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$633,600	\$636,600	\$653,673	\$17,073
Interest	4,000	4,000	8,178	4,178
<i>Total Revenues</i>	<u>637,600</u>	<u>640,600</u>	<u>661,851</u>	<u>21,251</u>
<b>Expenditures</b>				
Current:				
General Government:				
Bond Retirement:				
Other	5,000	5,000	0	5,000
Debt Service:				
Principal Retirement	433,189	433,189	433,189	0
Interest and Fiscal Charges	527,806	527,806	527,806	0
<i>Total Expenditures</i>	<u>965,995</u>	<u>965,995</u>	<u>960,995</u>	<u>5,000</u>
<i>Excess of Revenues Under Expenditures</i>	(328,395)	(325,395)	(299,144)	26,251
<b>Other Financing Sources</b>				
Transfers In	299,395	299,395	299,395	0
<i>Net Change in Fund Balance</i>	(29,000)	(26,000)	251	26,251
<i>Fund Balance Beginning of Year</i>	<u>47,543</u>	<u>47,543</u>	<u>47,543</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$18,543</u>	<u>\$21,543</u>	<u>\$47,794</u>	<u>\$26,251</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Improvement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$119,000	\$119,000	\$136,640	\$17,640
Interest	3,000	3,000	4,589	1,589
<i>Total Revenues</i>	122,000	122,000	141,229	19,229
<b>Expenditures</b>				
Capital Outlay	200,604	200,604	141,776	58,828
<i>Net Change in Fund Balance</i>	(78,604)	(78,604)	(547)	78,057
<i>Fund Balance Beginning of Year</i>	207,567	207,567	207,567	0
Prior Year Encumbrances Appropriated	604	604	604	0
<i>Fund Balance End of Year</i>	<u>\$129,567</u>	<u>\$129,567</u>	<u>\$207,624</u>	<u>\$78,057</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Downtown Improvement Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	<u>13,001</u>	<u>13,001</u>	<u>13,001</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(13,001)	(13,001)	(13,001)	0
<i>Fund Balance Beginning of Year</i>	174	174	174	0
Prior Year Encumbrances Appropriated	<u>12,827</u>	<u>12,827</u>	<u>12,827</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$8,000	\$8,000	\$33,152	\$25,152
<b>Expenditures</b>				
Capital Outlay	452,296	676,171	519,634	156,537
<i>Excess of Revenues Under Expenditures</i>	(444,296)	(668,171)	(486,482)	181,689
<b>Other Financing Sources</b>				
Transfers In	50,000	88,386	88,386	0
<i>Net Change in Fund Balance</i>	(394,296)	(579,785)	(398,096)	181,689
<i>Fund Balance Beginning of Year</i>	1,189,650	1,189,650	1,189,650	0
Prior Year Encumbrances Appropriated	252,296	252,296	252,296	0
<i>Fund Balance End of Year</i>	<u>\$1,047,650</u>	<u>\$862,161</u>	<u>\$1,043,850</u>	<u>\$181,689</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Washington Street Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$522,695	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	721,850	0	0	0
<i>Excess of Revenues Under Expenditures</i>	(199,155)	0	0	0
<b>Other Financing Sources</b>				
Transfers In	199,155	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tinkers Creek Commerce Park Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	850,000	850,000	770,313	79,687
<i>Excess of Revenues Under Expenditures</i>	(850,000)	(850,000)	(770,313)	79,687
<b>Other Financing Sources</b>				
Advances In	850,000	850,000	770,313	(79,687)
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Hall Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	<u>7,389</u>	<u>7,389</u>	<u>7,389</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(7,389)	(7,389)	(7,389)	0
<b>Other Financing Uses</b>				
Transfers Out	<u>(38,386)</u>	<u>(38,386)</u>	<u>(38,386)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(45,775)	(45,775)	(45,775)	0
<i>Fund Balance Beginning of Year</i>	30,596	30,596	30,596	0
Prior Year Encumbrances Appropriated	<u>15,179</u>	<u>15,179</u>	<u>15,179</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Health Insurance Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,909,320	\$1,909,320	\$1,897,594	(\$11,726)
Interest	6,000	6,000	1,168	(4,832)
<i>Total Revenues</i>	<u>1,915,320</u>	<u>1,915,320</u>	<u>1,898,762</u>	<u>(16,558)</u>
<b>Expenses</b>				
Contractual Services	543,930	631,092	628,898	2,194
Claims	1,365,390	1,358,227	1,268,190	90,037
<i>Total Expenses</i>	<u>1,909,320</u>	<u>1,989,319</u>	<u>1,897,088</u>	<u>92,231</u>
<i>Excess of Revenues Over (Under) Expenses</i>	6,000	(73,999)	1,674	75,673
Transfers In	0	80,000	80,000	0
<i>Net Change in Fund Equity</i>	6,000	6,001	81,674	75,673
<i>Fund Equity Beginning of Year</i>	<u>10,286</u>	<u>10,286</u>	<u>10,286</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$16,286</u>	<u>\$16,287</u>	<u>\$91,960</u>	<u>\$75,673</u>



## Statistical Section

This part of the City of Bedford, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S10 – S17</i></b>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S18 – S25</i></b>
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.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S26 – S29</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S30 – S37</i></b>
These schedules contain service and infrastructure 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 in 2002; schedules presenting government-wide information include information beginning in that year.

**City of Bedford, Ohio**  
*Net Assets By Component*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$29,561,437	\$29,950,309	\$30,244,755	\$27,844,368
Restricted:				
Capital Projects	1,356,429	1,719,410	3,057,559	4,707,736
Debt Service	1,143,792	1,247,181	1,176,626	1,366,567
Fire	423,999	362,312	97,233	32,999
Streets	1,294,088	1,371,972	1,183,863	1,143,523
Other Purposes	701,410	1,317,826	1,270,059	1,331,643
Unrestricted	<u>10,220,472</u>	<u>8,236,154</u>	<u>9,350,789</u>	<u>10,243,418</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$44,701,627</u>	<u>\$44,205,164</u>	<u>\$46,380,884</u>	<u>\$46,670,254</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$2,842,724	\$2,638,318	\$1,356,691	\$1,185,779
Restricted:				
Renewal and Replacement	0	0	0	1,196,296
Unrestricted	<u>4,335,387</u>	<u>3,961,305</u>	<u>4,260,063</u>	<u>2,369,303</u>
<i>Total Business-Type Activities Net Assets</i>	<u>\$7,178,111</u>	<u>\$6,599,623</u>	<u>\$5,616,754</u>	<u>\$4,751,378</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	\$32,404,161	\$32,588,627	\$31,601,446	\$29,030,147
Restricted	4,919,718	6,018,701	6,785,340	9,778,764
Unrestricted	<u>14,555,859</u>	<u>12,197,459</u>	<u>13,610,852</u>	<u>12,612,721</u>
<i>Total Primary Government Net Assets</i>	<u>\$51,879,738</u>	<u>\$50,804,787</u>	<u>\$51,997,638</u>	<u>\$51,421,632</u>

**City of Bedford, Ohio**  
*Changes in Net Assets*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	2005	2004	2003	2002
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
General Government	\$1,687,566	\$1,935,330	\$1,649,919	\$1,336,960
Security of Persons and Property:				
Police	56,734	35,648	48,104	18,465
Fire	293,200	106,118	212,339	162,956
Public Health and Welfare	43,443	66,437	49,584	36,818
Leisure Time Activities	95,355	75,441	90,675	93,993
Community Development	136,304	18,569	114,584	139,293
Basic Utility Services	229,705	394,613	270,348	259,105
Subtotal - Charges for Services	<u>2,542,307</u>	<u>2,632,156</u>	<u>2,435,553</u>	<u>2,047,590</u>
Operating Grants and Contributions:				
General Government	0	2,245	533,316	0
Security of Persons and Property:				
Police	140,902	166,920	160,110	122,208
Fire	3,724	97,744	75,022	1,440
Public Health and Welfare	15,066	19,818	12,812	24,404
Leisure Time Activities	27,865	2,065	5,044	3,600
Community Development	373,911	257,363	154,524	0
Basic Utility Services	6,008	4,148	16,390	12,500
Transportation	626,063	555,554	612,340	428,560
Subtotal - Operating Grants and Contributions	<u>1,193,539</u>	<u>1,105,857</u>	<u>1,569,558</u>	<u>592,712</u>
Capital Grants and Contributions:				
Community Development	0	0	0	238,144
Transportation	425,995	383,865	630	350,054
Basic Utility Services	0	0	0	84,928
Subtotal - Capital Grants and Contributions	<u>425,995</u>	<u>383,865</u>	<u>630</u>	<u>673,126</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,161,841</u>	<u>4,121,878</u>	<u>4,005,741</u>	<u>3,313,428</u>
<b>Business-Type Activities:</b>				
Charges for Services:				
Water	3,395,893	3,199,611	3,028,854	3,257,031
Wastewater	2,154,552	2,073,569	2,077,765	2,170,295
Capital Grants and Contributions				
Wastewater	8,646	714,635	140,141	345,871
<i>Total Business-Type Activities Program Revenues</i>	<u>5,559,091</u>	<u>5,987,815</u>	<u>5,246,760</u>	<u>5,773,197</u>
<i>Total Primary Government Program Revenues</i>	<u>\$9,720,932</u>	<u>\$10,109,693</u>	<u>\$9,252,501</u>	<u>\$9,086,625</u>

(continued)

**City of Bedford, Ohio**  
*Changes in Net Assets (continued)*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	2005	2004	2003	2002
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$4,513,961	\$4,843,345	\$4,516,277	\$4,060,361
Security of Persons and Property:				
Police	4,696,595	4,719,423	4,099,951	3,849,577
Fire	3,264,023	3,391,320	3,026,454	2,880,439
Public Health and Welfare	165,278	209,642	243,755	45,199
Leisure Time Activities	1,515,957	1,394,766	1,249,546	1,311,478
Community Development	711,271	976,913	613,461	1,019,191
Basic Utility Services	746,633	763,373	915,928	3,954,442
Transportation	4,815,778	4,263,114	3,786,962	787,321
Interest and Fiscal Charges	610,370	605,446	720,371	364,581
<i>Total Governmental Activities Expenses</i>	<u>21,039,866</u>	<u>21,167,342</u>	<u>19,172,705</u>	<u>18,272,589</u>
<b>Business-Type Activities</b>				
Water	3,277,619	3,171,606	3,105,244	3,396,720
Wastewater	2,249,871	2,278,779	1,990,521	2,423,832
<i>Total Business-Type Activities Expenses</i>	<u>5,527,490</u>	<u>5,450,385</u>	<u>5,095,765</u>	<u>5,820,552</u>
<i>Total Primary Government Program Expenses</i>	<u>26,567,356</u>	<u>26,617,727</u>	<u>24,268,470</u>	<u>24,093,141</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(16,878,025)	(17,045,464)	(15,166,964)	(14,959,161)
Business-Type Activities	31,601	537,430	150,995	(47,355)
<i>Total Primary Government Net Expense</i>	<u>(\$16,846,424)</u>	<u>(\$16,508,034)</u>	<u>(\$15,015,969)</u>	<u>(\$15,006,516)</u>

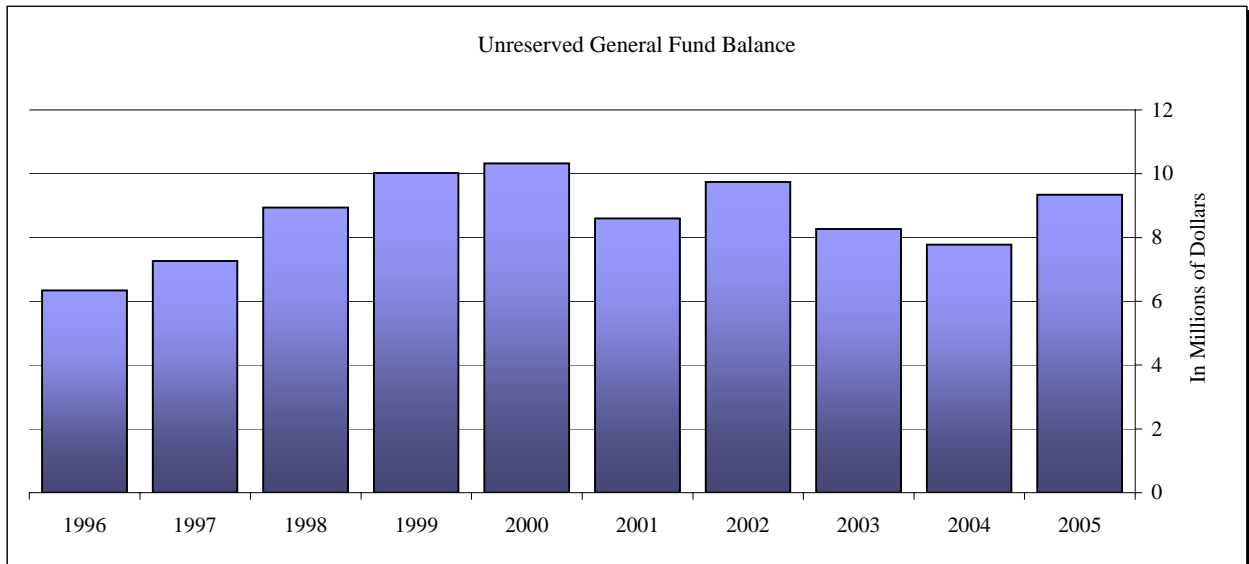
(continued)

**City of Bedford, Ohio**  
*Changes in Net Assets (continued)*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	2005	2004	2003	2002
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$2,548,372	\$2,499,866	\$2,306,655	\$2,379,963
Other Purposes	885,180	903,784	820,713	848,405
Municipal Income Taxes levied for:				
General Purposes	10,625,798	8,661,875	8,749,253	9,420,817
Debt Service	653,673	0	0	0
Capital Outlay	0	588,120	566,714	802,473
Grants and Entitlements not Restricted to				
Specific Programs	1,925,920	1,743,683	1,310,787	1,697,045
Investment Income	255,900	150,677	202,952	455,414
Gain on Sale of Capital Assets	80,398	1,900	632,343	3,000
Miscellaneous	399,247	319,839	288,177	227,074
<i>Total Governmental Activities</i>	<u>17,374,488</u>	<u>14,869,744</u>	<u>14,877,594</u>	<u>15,834,191</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	435,782	392,079	377,810	0
Investment Income	87,679	47,286	43,442	78,400
Gain on Sale of Capital Assets	0	0	2,834	0
Miscellaneous	23,426	6,074	3,881	0
<i>Total Business-Type Activities Expenses</i>	<u>546,887</u>	<u>445,439</u>	<u>427,967</u>	<u>78,400</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,921,375</u>	<u>15,315,183</u>	<u>15,305,561</u>	<u>15,912,591</u>
<b>Change in Net Assets</b>				
Governmental Activities	496,463	(2,175,720)	(289,370)	875,030
Business-Type Activities	578,488	982,869	578,962	31,045
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,074,951</u>	<u>(\$1,192,851)</u>	<u>\$289,592</u>	<u>\$906,075</u>

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

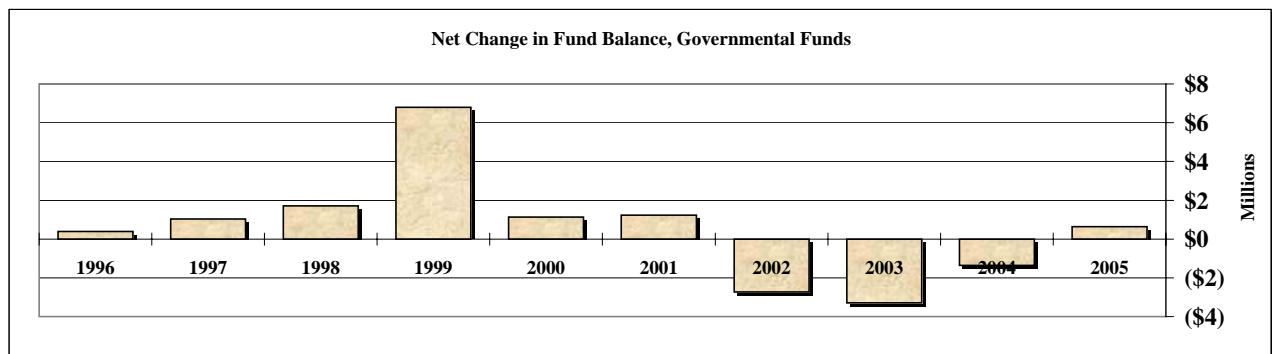
	2005	2004	2003	2002	2001
<b>General Fund</b>					
Reserved	\$125,743	\$183,862	\$93,979	\$111,332	\$311,581
Unreserved	9,341,622	7,780,251	8,266,852	9,742,716	8,598,221
<b>Total General Fund</b>	<u>9,467,365</u>	<u>7,964,113</u>	<u>8,360,831</u>	<u>9,854,048</u>	<u>8,909,802</u>
<b>All Other Governmental Funds</b>					
Reserved	1,070,584	1,118,261	1,671,140	3,501,721	10,728,155
Unreserved, Undesignated, Reported in:					
Special Revenue funds	1,706,315	1,982,268	1,851,040	2,167,962	2,083,399
Debt Service funds	238,235	240,837	301,642	330,600	424,372
Capital Projects funds	908,542	1,445,177	1,931,071	1,778,295	(1,785,344)
<b>Total All Other Governmental Funds</b>	<u>3,923,676</u>	<u>4,786,543</u>	<u>5,754,893</u>	<u>7,778,578</u>	<u>11,450,582</u>
<b>Total Governmental Funds</b>	<u>\$13,391,041</u>	<u>\$12,750,656</u>	<u>\$14,115,724</u>	<u>\$17,632,626</u>	<u>\$20,360,384</u>



2000	1999	1998	1997	1996
\$121,578	\$126,961	\$155,188	\$156,026	\$173,173
10,328,693	10,024,753	8,938,497	7,261,479	6,345,929
10,450,271	10,151,714	9,093,685	7,417,505	6,519,102
2,165,397	532,040	417,776	383,734	299,626
1,886,378	1,714,608	1,187,869	1,341,718	1,334,685
424,738	397,572	470,454	474,396	524,502
4,473,900	5,488,864	429,378	286,169	140,985
8,950,413	8,133,084	2,505,477	2,486,017	2,299,798
\$19,400,684	\$18,284,798	\$11,599,162	\$9,903,522	\$8,818,900

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

	2005	2004	2003	2002	2001	2000
<b>Revenues</b>						
Property and Other Taxes	\$3,540,788	\$3,349,741	\$3,052,678	\$3,220,330	\$5,414,988	\$4,896,615
Municipal Income Taxes	10,833,996	9,472,207	9,084,589	10,124,623	8,936,404	9,098,951
Charges for Services	694,247	652,848	652,253	574,762	470,216	450,995
Fees, Licenses and Permits	147,565	118,615	126,644	138,713	119,478	127,469
Fines and Forfeitures	1,470,857	1,463,728	1,422,916	1,043,171	1,159,891	818,085
Intergovernmental	3,503,173	3,306,031	2,692,894	3,087,774	2,476,698	1,192,488
Special Assessments	416,712	366,902	350,470	374,681	423,688	357,317
Interest	254,732	148,847	199,101	449,195	1,099,035	1,094,591
Other	393,507	322,239	289,472	227,074	491,427	235,550
<b>Total Revenues</b>	<b>21,255,577</b>	<b>19,201,158</b>	<b>17,871,017</b>	<b>19,240,323</b>	<b>20,591,825</b>	<b>18,272,061</b>
<b>Expenditures</b>						
Current:						
General Government	4,151,780	4,143,464	4,203,294	3,588,172	3,526,175	3,478,323
Security of Persons and Property:						
Police	4,558,302	4,551,955	4,427,282	3,841,773	3,883,783	3,811,647
Fire	3,297,888	3,206,450	2,552,163	2,889,019	2,053,176	2,013,174
Public Health and Welfare	165,551	211,537	246,935	217,804	232,125	195,743
Leisure Time Activities	1,460,622	1,297,764	1,239,885	1,277,894	1,010,467	1,072,776
Community Development	1,876,405	970,143	1,117,917	1,072,361	615,877	403,115
Basic Utilities Services	735,683	752,653	856,764	729,050	761,940	258,135
Transportation	2,280,367	2,196,645	2,054,180	1,915,424	1,719,426	1,730,093
Capital Outlay	1,007,907	2,097,823	4,009,134	12,652,137	4,800,947	3,308,034
Debt Service:						
Principal Retirement	513,968	554,109	489,052	443,108	328,189	192,260
Interest and Fiscal Charges	584,173	597,783	733,594	319,422	529,909	382,241
Bond Issuance Costs	0	0	47,999	224,917	0	0
<b>Total Expenditures</b>	<b>20,632,646</b>	<b>20,580,326</b>	<b>21,978,199</b>	<b>29,171,081</b>	<b>19,462,014</b>	<b>16,845,541</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<b>622,931</b>	<b>(1,379,168)</b>	<b>(4,107,182)</b>	<b>(9,930,758)</b>	<b>1,129,811</b>	<b>1,426,520</b>
<b>Other Financing Sources (Uses)</b>						
Sale of Capital Assets	80,804	59,100	819,179	3,000	0	21,296
Proceeds from Hospital	0	0	0	0	87,500	0
Manuscript Bonds Issued	0	0	0	0	0	200,000
General Obligation Bonds Issued	0	0	0	7,200,000	0	0
Notes Issued	0	0	0	0	0	0
Inception of Capital Lease	16,650	0	0	0	0	0
Transfers In	4,551,897	6,810,084	6,627,043	5,364,594	7,201,348	6,052,255
Transfers Out	(4,631,897)	(6,855,084)	(6,627,043)	(5,364,594)	(7,191,324)	(6,561,251)
<b>Total Other Financing Sources (Uses)</b>	<b>17,454</b>	<b>14,100</b>	<b>819,179</b>	<b>7,203,000</b>	<b>97,524</b>	<b>(287,700)</b>
<b>Net Change in Fund Balances</b>	<b>\$640,385</b>	<b>(\$1,365,068)</b>	<b>(\$3,288,003)</b>	<b>(\$2,727,758)</b>	<b>\$1,227,335</b>	<b>\$1,138,820</b>
Debt Service as a Percentage of Noncapital Expenditures	5.9%	6.6%	7.6%	6.4%	6.2%	4.4%





1999	1998	1997	1996
\$5,048,953	\$4,467,966	\$4,549,481	\$4,495,850
7,760,303	7,993,477	6,588,094	6,255,844
443,085	432,307	371,513	352,527
137,676	89,822	90,057	86,883
1,058,403	971,021	928,764	796,980
992,445	1,021,359	779,666	1,088,484
635,299	368,230	408,438	429,757
696,567	573,467	577,087	562,706
178,568	164,525	44,446	127,073
16,951,299	16,082,174	14,337,546	14,196,104
3,290,867	2,968,997	2,863,973	2,714,820
3,306,215	3,366,810	3,235,048	3,064,464
1,929,366	1,786,583	1,772,621	1,655,631
189,367	163,662	159,606	152,745
1,003,178	951,743	939,397	895,481
279,060	269,188	212,156	352,100
271,079	270,861	269,635	269,286
1,750,178	1,524,296	1,601,997	1,647,163
2,728,905	2,145,683	1,355,210	2,194,258
372,260	357,260	347,260	332,260
89,393	99,961	120,285	150,559
0	0	0	0
15,209,868	13,905,044	12,877,188	13,428,767
1,741,431	2,177,130	1,460,358	767,337
0	0	0	0
26,765	0	0	0
0	0	0	0
5,000,000	0	0	0
0	0	0	0
499,303	0	0	0
4,511,602	3,233,322	3,578,605	4,010,420
(4,979,825)	(3,705,355)	(4,001,975)	(4,390,420)
5,057,845	(472,033)	(423,370)	(380,000)
\$6,799,276	\$1,705,097	\$1,036,988	\$387,337
3.8%	4.0%	4.2%	4.5%

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

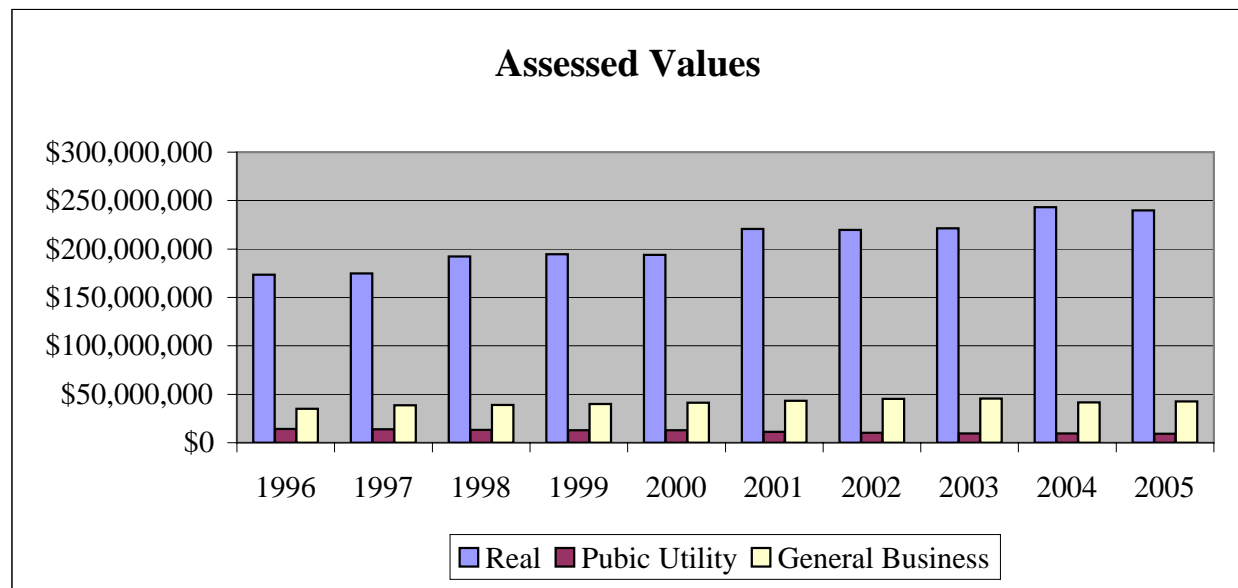
Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2005	\$152,594,310	\$87,156,280	\$685,001,686	\$9,323,120	\$10,594,455
2004	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2003	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818
2002	137,816,380	81,783,120	627,427,143	10,282,780	11,684,977
2001	137,814,680	82,927,810	630,692,829	11,224,870	12,755,534
2000	120,510,280	73,536,000	554,417,943	12,821,650	14,570,057
1999	120,230,080	74,290,830	555,774,029	12,856,640	14,609,818
1998	120,066,310	72,248,380	549,470,543	13,137,450	14,928,920
1997	107,879,350	66,819,150	499,138,571	13,793,880	15,674,864
1996	107,592,970	65,784,730	495,364,857	14,063,720	15,981,500

Property is assessed every year. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 23 percent for everything except inventories, which are assessed at 25 percent. For collection year 2006 both types of general business tangible personal property will be assessed at 18.75 percent.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property					
General Business		Total			Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$42,681,161	\$185,570,265	\$291,754,871	\$881,166,405	33.11%	\$12.80
41,641,465	181,049,848	294,249,915	886,322,708	33.20	12.80
45,552,210	189,800,875	276,354,300	832,745,122	33.19	12.80
45,366,712	189,027,967	275,248,992	828,140,087	33.24	12.80
43,255,357	173,021,428	275,222,717	816,469,791	33.71	12.80
41,445,946	165,783,784	248,313,876	734,771,784	33.79	12.80
39,817,596	159,270,384	247,195,146	729,654,231	33.88	12.80
38,919,537	155,678,148	244,371,677	720,077,611	33.94	12.80
38,537,810	154,151,240	227,030,190	668,964,675	33.94	12.80
35,114,286	140,457,144	222,555,706	651,803,501	34.14	12.80



**City of Bedford, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

	2005	2004	2003	2002
<b>Unvoted Millage</b>				
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
<b>Charter Millage</b>				
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000
<i>Total Charter Millage</i>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>
<b>Total Millage</b>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>
<b>Overlapping Rates by Taxing District</b>				
Bedford City School District				
Residential/Agricultural Real	\$33.9158	\$33.8874	\$28.9913	\$31.2275
Commerical/Industrial and Public Utility Real	44.6558	44.6073	39.4438	39.9366
General Business and Public Utility Personal	67.4000	67.4000	62.5000	62.5000
Cuyahoga County Commissioner				
Residential/Agricultural Real	11.7227	10.9754	10.9899	12.4609
Commerical/Industrial and Public Utility Real	12.5762	11.9846	12.0433	12.8764
General Business and Public Utility Personal	13.5200	13.5200	13.5200	14.6500
Special Taxing Districts (1)				
Residential/Agricultural Real	6.2900	6.2880	4.7783	2.5323
Commerical/Industrial and Public Utility Real	6.5552	6.5067	5.1811	2.5497
General Business and Public Utility Personal	6.7800	6.7800	5.8800	2.9500

Source: Cuyahoga County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, County Library, Community College

2001	2000	1999	1998	1997	1996
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
8.9200	8.9200	8.9200	8.9200	8.9200	8.9200
<u>\$12.8000</u>	<u>\$12.8000</u>	<u>\$12.8000</u>	<u>\$12.8000</u>	<u>\$12.8000</u>	<u>\$12.8000</u>
\$31.2314	\$31.3060	\$35.1397	\$30.2561	\$30.1492	\$32.5846
39.9540	39.9684	43.7005	38.7054	38.6080	39.8869
62.5000	62.5000	62.6000	57.7000	57.6000	57.6000
11.3815	11.3967	11.4114	11.4230	9.6597	10.0197
12.0023	11.9298	12.3736	12.4065	11.7001	11.7723
14.6500	14.6500	13.7500	13.7500	15.0500	15.0500
2.5354	2.5422	2.8242	2.5610	2.5659	2.7725
2.5320	2.5253	2.8923	2.7580	2.7781	2.8647
2.9500	2.9500	2.9500	2.9500	2.9500	2.9500

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2005	\$3,180,491	\$3,043,735	95.70%	\$143,695	\$3,187,430
2004	3,233,136	3,014,061	93.22	44,238	3,058,299
2003	2,956,252	2,804,509	94.87	99,856	2,904,365
2002	2,945,300	2,797,393	94.98	150,618	2,948,011
2001	2,961,620	2,790,577	94.22	90,090	2,880,667
2000	2,634,161	2,559,951	97.18	73,816	2,633,767
1999	2,643,590	2,547,540	96.37	61,049	2,608,589
1998	2,618,889	2,531,929	96.68	44,305	2,576,234
1997	2,412,697	2,332,212	96.66	105,067	2,437,279
1996	2,397,056	2,329,056	97.16	31,969	2,361,025

Source: Cuyahoga 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.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.22%	\$220,549	6.93%
94.59	327,785	10.14
98.24	273,875	9.26
100.09	199,186	6.76
97.27	191,148	6.45
99.99	106,576	4.05
98.68	95,378	3.61
98.37	136,358	5.21
101.02	71,335	2.96
98.50	121,701	5.08

**City of Bedford, Ohio**  
*Principal Real Property Taxpayers*  
*January 1, 2004 and January 1, 1995*

<i>January 1, 2004</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Bear Creek Property Company	\$6,809,635	2.80 %
Cleveland Electric Illuminating Company	4,566,541	1.88
Bedford Colony Club Apartments	4,225,410	1.74
Ben Venue	3,995,320	1.64
Brandybrook LLC	3,963,785	1.63
Aspen Woodside Village LLC	3,199,805	1.32
HIN, LLC	2,746,940	1.13
Ohio Bell Telephone Company	2,606,202	1.07
University Hospitals Health Systems	2,433,480	1.00
Colony Club Apartments II	1,890,280	0.78
<b>Total</b>	<b>\$36,437,398</b>	<b>14.99 %</b>
<b>Total Assessed Valuation</b>	<b>\$243,039,780</b>	

<i>January 1, 1995</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Meadowbrook Development Corporation	\$2,836,460	1.64 %
Cleveland Electric Illuminating Company	2,652,405	1.53
Bedford Colony Club Apartments	1,844,899	1.06
Ohio Bell Telephone Company	1,763,703	1.02
L.G.S Properties/Lee Seidman	672,648	0.39
Bedford Retirement, Inc.	606,375	0.35
Ben Venue Laboratories	538,622	0.31
Bedford Green	533,488	0.30
Bedford Place	467,705	0.27
East Ohio Gas Company	425,107	0.25
<b>Total</b>	<b>\$12,341,410</b>	<b>7.12 %</b>
<b>Total Assessed Valuation</b>	<b>\$173,377,700</b>	

Source: Cuyahoga County Auditor

NOTE: Property Assessed at 35% of Fair Market Value

Real property taxes paid in 2005 are based on January 1, 2004 values.

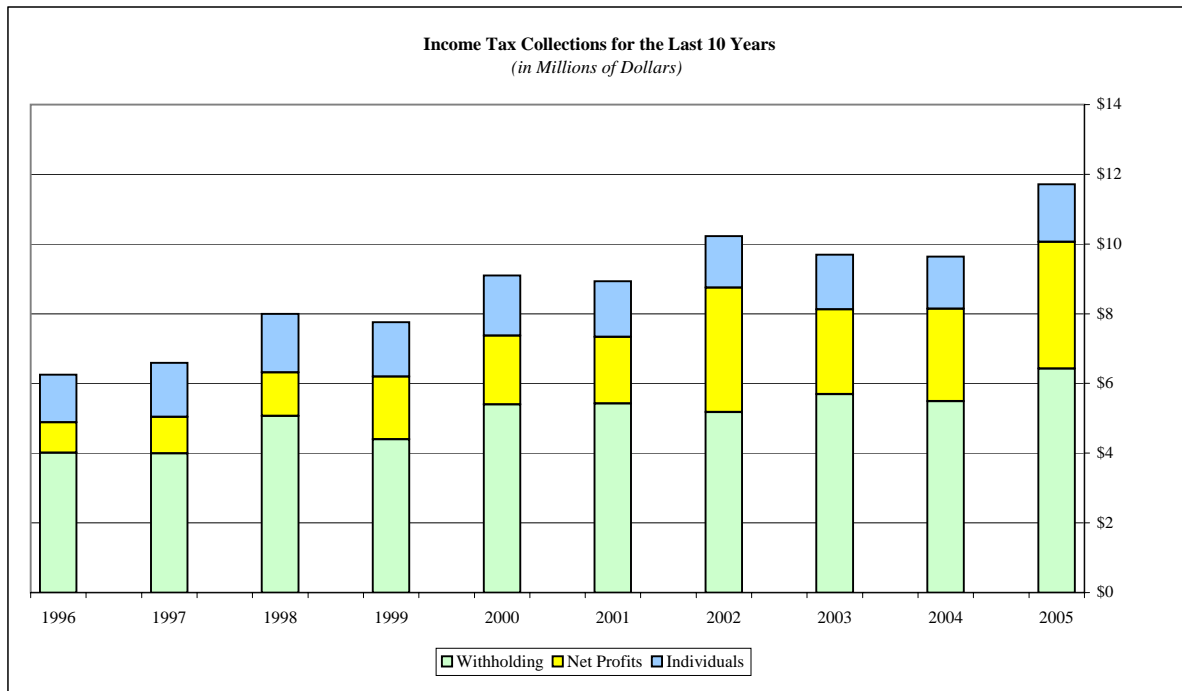
Real property taxes paid in 1996 are based on January 1, 1995 values.



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

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2005	2.25%	\$11,715,253	\$6,430,025	54.89%	\$3,631,690	31.00%	\$1,653,538	14.11%
2004	2.25	9,642,074	5,488,041	56.92	2,655,680	27.54	1,498,353	15.54
2003	2.25	9,693,777	5,692,074	58.72	2,432,100	25.09	1,569,603	16.19
2002	2.25	10,223,290	5,181,699	50.69	3,562,665	34.85	1,478,926	14.47
2001	2.25	8,936,404	5,424,327	60.70	1,908,505	21.36	1,603,572	17.94
2000	2.25	9,098,951	5,400,054	59.35	1,967,918	21.63	1,730,979	19.02
1999	2.00	7,760,303	4,398,963	56.69	1,793,285	23.11	1,568,055	20.21
1998	2.00	7,993,477	5,069,341	63.42	1,244,380	15.57	1,679,756	21.01
1997	2.00	6,588,094	3,991,302	60.58	1,045,398	15.87	1,551,394	23.55
1996	2.00	6,255,844	4,013,088	64.15	870,728	13.92	1,372,028	21.93

- (1) 2002 through 2005 are on an Accrual Basis and 1996 through 2001 are on a Modified Accrual Basis
- (2) Effective January 1, 2000 City of Bedford Electors voted to increase the City income tax by .25% to generate proceeds to be used for the construction of the new Municipal Complex which includes a new Municipal Court.
- (3) The City is statutory is prohibited from presenting individual taxpayers.

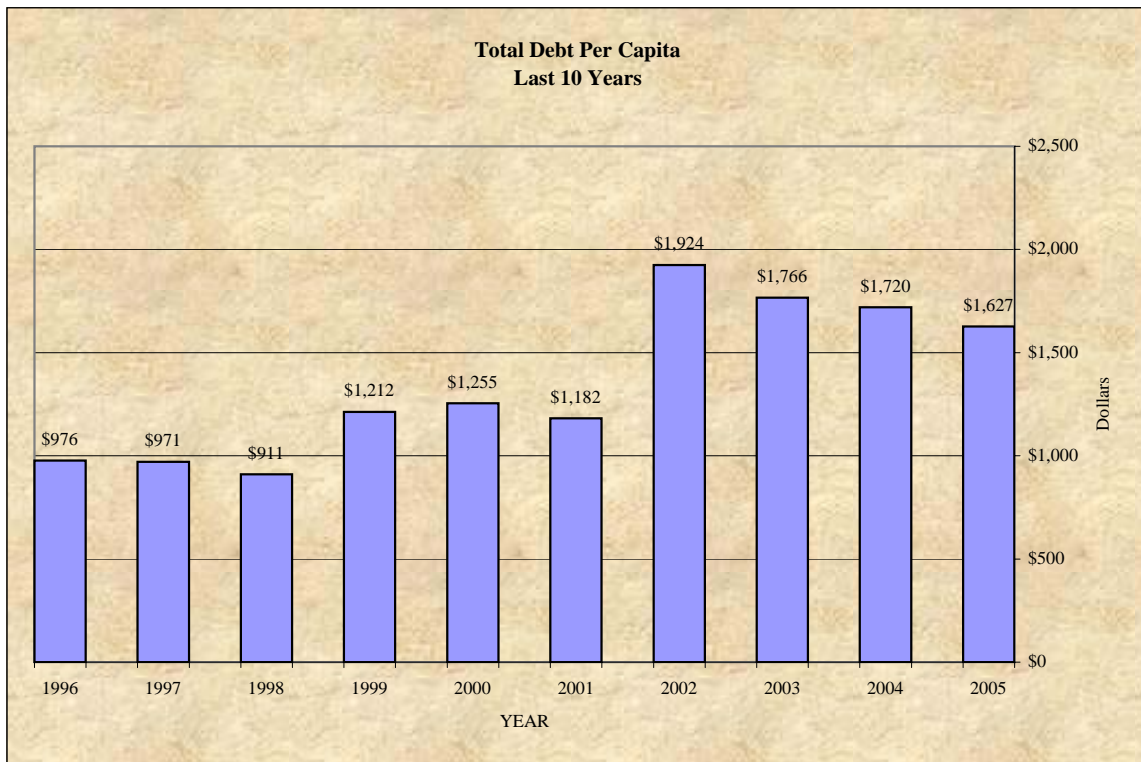


**City of Bedford, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities					General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	
2005	\$10,780,000	\$635,000	\$578,144	\$15,456	\$205,488	\$2,145,000
2004	11,165,000	710,000	626,333	1,133	208,940	2,325,000
2003	11,590,000	785,000	674,522	3,743	212,250	2,505,000
2002	11,855,000	850,000	722,711	111,432	215,424	3,210,000
2001	4,880,000	915,000	770,900	213,308	218,467	655,000
2000	5,095,000	980,000	819,089	309,684	221,385	680,000
1999	5,000,000	1,045,000	322,770	388,078	224,182	705,000
1998	290,000	1,105,000	345,030	158	226,865	730,000
1997	565,000	1,165,000	367,290	7,681	229,437	750,000
1996	830,000	1,225,000	389,550	15,518	231,903	0

**Business-Type Activities**

Special Assessment Bonds	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$0	\$7,930,155	\$835,931	\$23,125,174	8.10%	\$1,627
40,000	0	8,584,517	785,311	24,446,234	8.57	1,720
80,000	0	9,211,698	45,796	25,108,009	8.80	1,766
120,000	1,070,000	9,141,352	49,959	27,345,878	9.58	1,924
155,000	1,145,000	7,793,761	54,122	16,800,558	5.89	1,182
190,000	1,215,000	8,264,574	58,287	17,833,019	6.25	1,255
225,000	1,280,000	8,713,577	62,450	17,966,057	8.12	1,212
255,000	1,340,000	9,141,780	66,613	13,500,446	6.10	911
285,000	1,400,000	9,550,146	70,776	14,390,330	6.50	971
310,000	1,455,000	9,939,594	74,939	14,471,504	6.54	976



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

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Debt Service Monies Available
2005	14,214	b	\$881,166,405	\$10,780,000	\$47,794
2004	14,214	b	886,322,708	11,165,000	47,543
2003	14,214	b	840,997,333	11,590,000	79,634
2002	14,214	b	828,140,087	11,855,000	84,136
2001	14,214	b	816,469,791	5,535,000	74,552
2000	14,214	b	734,771,784	5,775,000	424,738
1999	14,822	a	729,654,231	5,705,000	397,572
1998	14,822	a	720,077,611	1,020,000	470,454
1997	14,822	a	668,964,675	1,315,000	474,396
1996	14,822	a	651,770,651	830,000	524,502

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt of \$635,000.

Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
\$10,732,206	1.22%	\$755.04
11,117,457	1.25	782.15
11,510,366	1.37	809.79
11,770,864	1.42	828.12
5,460,448	0.67	384.16
5,350,262	0.73	376.41
5,307,428	0.73	358.08
549,546	0.08	37.08
840,604	0.13	56.71
305,498	0.05	20.61

**City of Bedford, Ohio**  
*Ratios of Bonded Debt Outstanding and Legal Debt Margin*  
*Last Ten Years*

	2005	2004	2003	2002
Total Assessed Property Value	<u>\$291,754,871</u>	<u>\$294,249,915</u>	<u>\$276,354,300</u>	<u>\$275,248,992</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$12,925,000	\$13,490,000	\$14,095,000	\$15,065,000
General Obligation Revenue Notes/Bonds	0	0	0	1,070,000
Special Assessment Bonds	635,000	750,000	865,000	970,000
Bond Anticipation Notes	1,200,000	0	0	0
OPWC Loans	615,614	667,965	720,318	772,670
OWDA Loans	<u>7,930,155</u>	<u>8,586,780</u>	<u>9,211,698</u>	<u>8,769,032</u>
Total Gross Indebtedness	23,305,769	23,494,745	24,892,016	26,646,702
Less:				
General Obligation Bonds	(7,040,000)	(7,355,000)	(2,505,000)	(3,210,000)
General Obligation Revenue Notes/Bonds	0	0	0	(1,070,000)
Special Assessment Bonds	(635,000)	(750,000)	(865,000)	(970,000)
OPWC Loans	(37,470)	(41,632)	(45,796)	(49,959)
OWDA Loans	(7,930,155)	(8,586,780)	(9,211,698)	(8,769,032)
General Obligation Bond Retirement Fund Balance	<u>(47,794)</u>	<u>(47,543)</u>	<u>(79,634)</u>	<u>(84,136)</u>
Total Net Debt Applicable to Debt Limit	<u>7,615,350</u>	<u>6,713,790</u>	<u>12,184,888</u>	<u>12,493,575</u>
Percentage of Estimated Actual				
Property Value	2.61%	2.28%	4.41%	4.54%
Total Net Debt per Capita	\$536	\$472	\$857	\$879
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>30,634,261</u>	<u>30,896,241</u>	<u>29,017,202</u>	<u>28,901,144</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,018,911</u>	<u>\$24,182,451</u>	<u>\$16,832,314</u>	<u>\$16,407,569</u>
Legal Debt Margin as a Percentage of the Debt Limit	75.14%	78.27%	58.01%	56.77%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$16,046,518</u>	<u>\$16,183,745</u>	<u>\$15,199,487</u>	<u>\$15,138,695</u>
Total Gross Indebtedness	23,305,769	23,494,745	24,892,016	26,646,702
Less:				
General Obligation Bonds	(7,040,000)	(7,355,000)	(2,505,000)	(3,210,000)
General Obligation Revenue Notes/Bonds	0	0	0	(1,070,000)
Special Assessment Bonds	(635,000)	(750,000)	(865,000)	(970,000)
OPWC Loans	(37,470)	(41,632)	(45,796)	(49,959)
OWDA Loans	(7,930,155)	(8,586,780)	(9,211,698)	(8,769,032)
General Obligation Bond Retirement Fund Balance	<u>(47,794)</u>	<u>(47,543)</u>	<u>(79,634)</u>	<u>(84,136)</u>
Net Debt Within 5 ½ % Limitations	<u>7,615,350</u>	<u>6,713,790</u>	<u>12,184,888</u>	<u>12,493,575</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$8,431,168</u>	<u>\$9,469,955</u>	<u>\$3,014,599</u>	<u>\$2,645,120</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	52.54%	58.52%	19.83%	17.47%

Source: City Financial Records

2001	2000	1999	1998	1997	1996
<u>\$275,222,717</u>	<u>\$248,313,876</u>	<u>\$247,195,146</u>	<u>\$244,371,677</u>	<u>\$227,030,190</u>	<u>\$222,555,706</u>
\$5,545,714	\$5,775,000	\$5,705,000	\$1,020,000	\$1,315,000	\$956,000
1,145,000	1,215,000	1,280,000	1,340,000	1,400,000	1,455,000
1,070,000	1,170,000	1,270,000	1,360,000	1,450,000	1,535,000
5,000,000	5,000,000	0	0	0	0
1,430,586	819,091	322,770	345,030	367,290	389,550
7,847,883	8,322,859	8,776,027	9,208,392	9,620,922	10,014,532
22,039,183	22,301,950	17,353,797	13,273,422	14,153,212	14,350,082
(9,730,000)	(9,895,000)	0	0	0	0
(1,145,000)	(1,215,000)	(1,280,000)	(1,340,000)	(1,400,000)	(1,455,000)
(1,070,000)	(1,170,000)	(1,270,000)	(1,360,000)	(1,450,000)	(1,535,000)
(770,900)	(877,376)	(385,220)	(411,643)	(438,066)	(464,489)
(7,847,883)	(8,264,574)	(8,713,577)	(9,141,780)	(9,550,146)	(9,939,594)
(473,223)	(424,738)	(397,572)	(470,454)	(474,396)	(542,502)
1,002,177	455,262	5,307,428	549,545	840,604	413,497
0.36%	0.18%	2.15%	0.22%	0.37%	0.19%
\$71	\$32	\$358	\$37	\$57	\$28
28,898,385	26,072,957	25,955,490	25,659,026	23,838,170	23,368,349
<u>\$27,896,208</u>	<u>\$25,617,695</u>	<u>\$20,648,062</u>	<u>\$25,109,481</u>	<u>\$22,997,566</u>	<u>\$22,954,852</u>
96.53%	98.25%	79.55%	97.86%	96.47%	98.23%
\$15,137,249	\$13,657,263	\$13,595,733	\$13,440,442	\$12,486,660	\$12,240,564
22,039,183	22,301,950	17,353,797	13,273,422	14,153,212	14,350,082
(9,730,000)	(9,895,000)	0	0	0	0
(1,145,000)	(1,215,000)	(1,280,000)	(1,340,000)	(1,400,000)	(1,455,000)
(1,070,000)	(1,170,000)	(1,270,000)	(1,360,000)	(1,450,000)	(1,535,000)
(770,900)	(877,376)	(385,220)	(411,643)	(438,066)	(464,489)
(7,847,883)	(8,264,574)	(8,713,577)	(9,141,780)	(9,550,146)	(9,939,594)
(473,223)	(424,738)	(397,572)	(470,454)	(474,396)	(542,502)
1,002,177	455,262	5,307,428	549,545	840,604	413,497
<u>\$14,135,072</u>	<u>\$13,202,001</u>	<u>\$8,288,305</u>	<u>\$12,890,897</u>	<u>\$11,646,056</u>	<u>\$11,827,067</u>
93.38%	96.67%	60.96%	95.91%	93.27%	96.62%

**City of Bedford, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
 December 31, 2005

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
<b>Direct - City of Bedford</b>			
General Obligation Bonds	\$10,780,000	100.00%	\$10,780,000
Special Assessment Bonds	635,000	100.00%	635,000
OPWC Loans	578,144	100.00%	578,144
Capital Leases	15,456	100.00%	15,456
Police Pension	205,488	100.00%	205,488
<i>Total Direct Debt</i>	<u>12,214,088</u> *		<u>12,214,088</u>
<b>Overlapping</b>			
Bedford School District			
General Obligation Bonds	7,833,300	34.10%	2,671,155
Capital Leases	1,089,988	34.10%	371,686
Cuyahoga County			
General Obligation Bonds	231,365,971	0.95%	2,197,977
Greater Cleveland Regional Transit Authority			
	<u>139,790,000</u>	0.95%	<u>1,328,005</u>
<i>Total Overlapping Debt</i>	<u>380,079,259</u>		<u>6,568,823</u>
<b>Total</b>	<u><u>\$392,293,347</u></u>		<u><u>\$18,782,911</u></u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.  
 The debt outstanding includes general obligation bonds.

\* \$11,415,000 of the total \$12,214,088 of total outstanding general obligation debt is backed by two revenue sources.

\$8,890,000 of general obligation bonds for the construction of the Municipal Complex is backed by 1/4 percent municipal income tax, effective for collections on January 1, 2000.

\$1,890,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$635,000 is the amount of Special Assessment debt outstanding and is predominantly paid by businesses on the main routes of the City.

A final source of revenue for the repayment of this debt is real estate taxes. We do not anticipate that any of the \$14,168,150 of outstanding debt will be subject to repayment from this resource.



**City of Bedford, Ohio**  
*Pledged Revenue Coverage*  
*Mortgage Revenue Bonds - Business-Type Activities*  
*Last Ten Years*

Year	Water Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	\$3,434,611	\$3,079,704	\$354,907	\$0	\$0	n/a
2004	3,226,988	3,018,532	208,456	0	0	n/a
2003	3,054,900	3,013,467	41,433	80,000	70,835	0.27
2002	3,292,588	2,864,202	428,386	75,000	180,536	1.68
2001	3,033,056	2,606,282	426,774	70,000	187,706	1.66
2000	2,851,050	2,412,977	438,073	65,000	194,521	1.69
1999	2,787,451	2,457,104	330,347	60,000	196,259	1.29
1998	2,677,666	2,120,844	556,822	55,000	211,159	2.09
1997	2,450,308	2,148,872	301,436	50,000	140,699	1.58
1996	2,342,787	1,915,839	426,948	45,000	156,523	2.12
1995	2,196,776	1,899,295	297,481	40,000	109,873	1.98
1994	2,114,698	1,780,040	334,658	147,213	147,213	2.27
1993	1,838,984	1,579,202	259,782	149,463	149,463	1.74

- (1) The Water System Mortgage Revenue Bonds were issued in the year 1991 in the amount of \$1,650,000
- (2) Direct operating expenses do not include depreciation and amortization expense.
- (3) The Water System Mortgage Revenue bonds were refunded into general obligation bonds in 2003.

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

<b>2005</b>		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories	1,064	7.61%
University Hospitals Health Systems	969	6.93
Bedford Board of Education	581	4.16
City of Bedford	342	2.45
US Bank Leader Mortgage	270	1.93
Target	268	1.92
Applebees	187	1.34
Tim Lally Chevrolet	177	1.27
Jay Pontiac	176	1.25
Aspen Retirement Village	158	1.12
<b>Total</b>	<b>4,192</b>	<b>29.98%</b>
Total Employment within the City	13,981	

<b>1996</b>	
Employer	Employees
Topps (First National Supermarkets)	717
University Hospitals Health Systems	634
Bedford Board of Education	589
Ben Venue Laboratories	514
Target	477
City of Bedford	308
Reiders Stop-n-Shop	207
Production Pattern	113
Garfield Hts Coach Line	112
Tim Lally	105
<b>Total</b>	<b>3,776</b>
Total Employment within the City	n/a

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

n/a - Information not available

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**City of Bedford, 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)
2005	14,214	\$285,360,264	\$20,076	\$36,943	39
2004	14,214	285,360,264	20,076	36,943	39
2003	14,214	285,360,264	20,076	36,943	39
2002	14,214	285,360,264	20,076	36,943	39
2001	14,214	285,360,264	20,076	36,943	39
2000	14,214	285,360,264	20,076	36,943	39
1999	14,822	221,366,570	14,935	30,082	36
1998	14,822	221,366,570	14,935	30,082	36
1997	14,822	221,366,570	14,935	30,082	36
1996	14,822	221,366,570	14,935	30,082	36

(1) Source: U. S. Census

(a) Years 2000 through 2004 - 2000 Federal Census

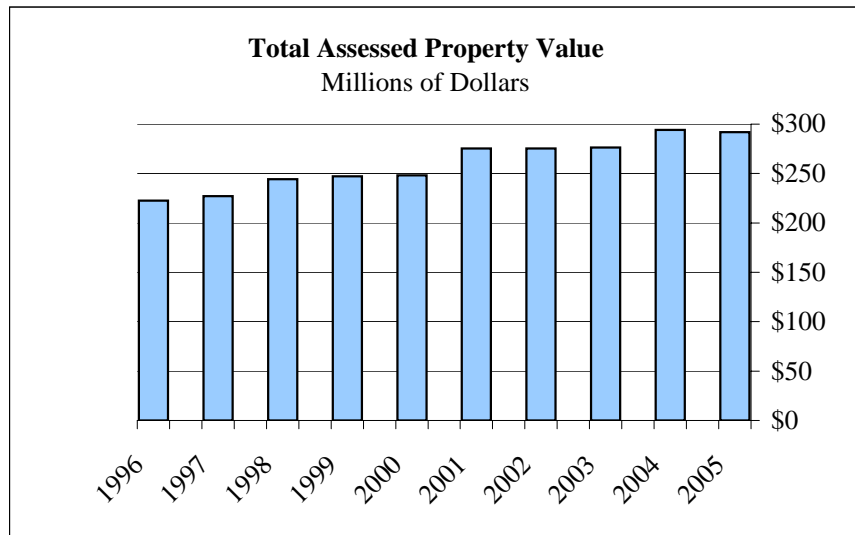
(b) Years 1995 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

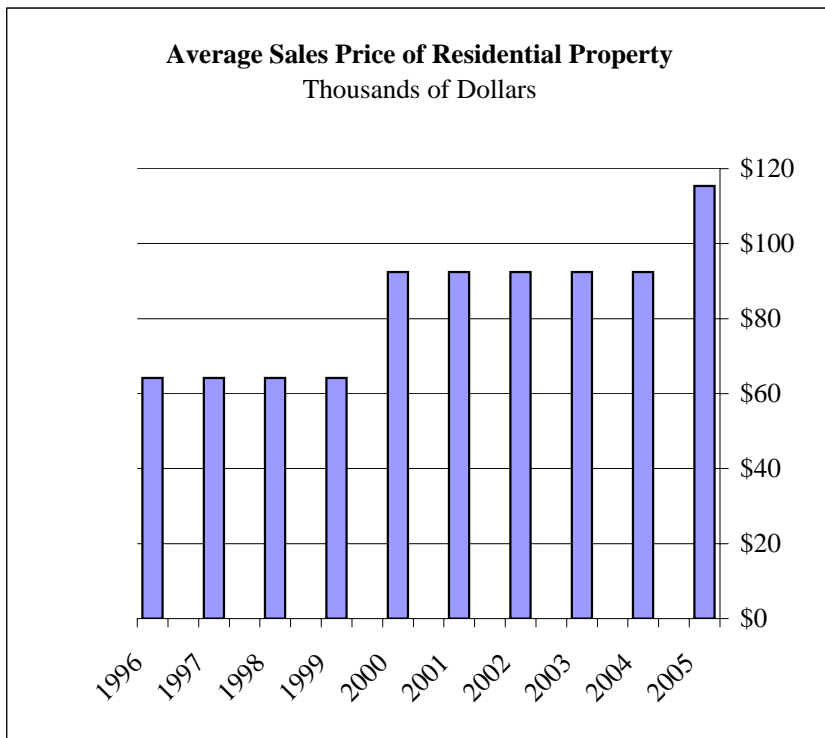
(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.2%	3,890	6.6%	\$115,395	\$291,754,871
18.2	3,890	0.1	92,400	294,249,915
18.2	3,822	6.2	92,400	276,354,300
18.2	3,974	6.6	92,400	275,248,992
18.2	4,050	4.6	92,400	275,222,717
18.2	4,076	4.5	92,400	248,313,876
11.5	4,116	4.5	64,200	247,195,146
11.5	4,065	4.5	64,200	244,371,677
11.5	4,107	4.5	64,200	227,030,190
11.5	4,141	5.0	64,200	222,555,706



**City of Bedford, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Four Years (1)*

Function/Program	2005	2004	2003	2002
<b>General Government</b>				
Council	8.00	8.00	8.00	8.00
Finance	5.50	5.00	5.50	5.50
Tax	3.00	3.50	3.00	3.00
City Manager	1.00	1.00	1.00	1.00
Law	1.00	1.50	1.50	1.00
Administration	4.50	4.50	4.50	4.50
Engineer	0.50	0.50	0.50	0.50
Planning	1.50	1.50	1.50	1.50
Civil Service	2.00	2.00	2.00	2.00
Court	30.00	35.00	35.00	35.00
Public Building	5.00	4.00	4.00	2.00
<b>Security of Persons and Property</b>				
Police	32.00	32.00	30.00	30.00
Police - Auxiliary/Guards	12.50	12.50	13.00	13.00
Police - Dispatchers/Office/Other	12.50	12.50	13.50	13.50
Police - Jailers	2.00	3.00	2.00	2.00
Police - Animal Wardens	2.00	2.00	1.50	1.50
Fire	28.00	29.00	30.00	30.00
Fire - Secretary - Other	1.50	1.50	1.50	1.50
<b>Public Health Services</b>				
Cemetery	1.50	1.50	2.50	2.50
<b>Leisure Time Activities</b>				
Recreation	14.00	14.00	14.00	1.50
Municipal Pool	15.00	15.00	15.50	15.00
Ellenwood Center	6.50	6.50	5.50	4.50
<b>Community Development</b>				
Building	5.00	5.00	5.00	5.00
Economic Development	1.50	1.50	1.50	1.50
<b>Transportation</b>				
Service	24.50	24.50	21.00	23.00
Street M&R	4.50	4.50	5.00	4.00
<b>Basic Utility Services</b>				
Water	9.50	9.50	8.50	7.50
Wastewater	11.00	11.00	11.50	11.00
Totals:	245.50	252.00	248.00	231.00

**Source:** City of Bedford, Ohio Payroll Department W2 Audit Listing

**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 Bedford, Ohio**  
*Operating Indicators by Function/Program*  
*Last Five Years (1)*

Function/Program	2005	2004	2003	2002	2001
<b>General Government</b>					
<i>Council &amp; Clerk</i>					
Number of Ordinances Passed	117	90	56	84	105
Number of Resolutions Passed	20	27	17	22	20
Number of Planning Commission docket items					
Zoning Board of Appeals docket items					
<i>Finance Department</i>					
Number of checks/ vouchers issued	5,658	5,144	4,701	4,844	5,029
Amount of checks written	\$24,398,291	\$22,180,264	\$24,678,378	\$33,169,166	\$31,699,956
Interest earnings for fiscal year (cash basis)	\$416,804	\$221,336	\$263,675	\$738,521	\$1,498,727
Number of Receipts issued	1,717	1,672	1,716	1,981	1,878
Number of Journal Entries issued	808	701	697	684	628
Number of Budget Adjustments issued	136	163	134	110	121
Agency Ratings - Standard & Poors	A+	A+	A+	A+	A+
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	12.01%	14.25%	9.85%	9.99%	8.37%
General Fund Receipts (cash basis in thousands)	\$16,088	\$14,958	\$14,128	\$15,801	\$14,209
General Fund Expenditures (cash basis in thousands)	\$15,299	\$15,299	\$15,535	\$14,146	\$15,410
General Fund Cash Balances (in thousands)	7,613	7,316	7,657	9,064	7,409
<i>Income Tax Department</i>					
Number of Individual Returns	7,973	8,660	11,336	10,000	10,000
Number of Business Returns	2,575	2,693	2,525	2,000	2,000
Number of business withholding accounts	1,885	1,929	1,396	n/a	n/a
Amount of Penalties and Interest Collected	\$133,572	\$124,942	\$112,013	\$120,607	\$124,939
Annual number of Corporate withholding forms processed	10,372	10,772	n/a	n/a	n/a
Annual number of balance due statements forms processed	17,016	17,397	n/a	n/a	n/a
Annual number of estimated payment forms processed	12,619	12,646	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	1,910	1,941	n/a	n/a	n/a
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$2,582,246	\$2,130,797	\$1,729,184	\$3,828,951	\$2,557,033
<i>Municipal Court</i>					
Number of Civil Cases	4,378	4,074	3,642	3,378	3,274
Number of Criminal cases	10,521	11,254	11,875	12,345	15,983
<i>Vital Statistics</i>					
Certificates Filed					
Number of Births	2	436	398	465	n/a
Number of Deaths	261	196	241	291	n/a
Certificates Issued					
Number of Births	1,239	1,369	1,459	1,668	n/a
Number of Deaths	1,487	1,101	1,574	1,651	n/a
Burial Permits Issued	454	462	602	633	n/a
<i>Civil Service</i>					
Number of police entry tests administered	1	0	0	1	0
Number of fire entry tests administered	1	0	0	0	1
Number of police promotional tests administered	0	1	1	0	0
Number of fire promotional tests administered	0	0	0	1	0
Number of hires of Police Officers from certified lists	0	2	0	0	0
Number of hires of Fire/Medics from certified lists	0	0	0	0	0
Number of promotions from police certified lists	0	1	1	5	0
Number of promotions from fire certified lists	0	0	0	5	1

(continued)

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

Function/Program	2005	2004	2003	2002	2001
<b>Building Department Indicators</b>					
Construction Permits Issued	120	145	155	181	161
Estimated Value of Construction	\$36,405,800	\$6,370,050	\$3,594,730	\$42,117,927	\$4,372,017
Number of permits issued	918	896	851	1,021	968
Amount of Revenue generated from permits	\$64,474	\$41,899	\$40,099	\$62,639	\$53,520
Number of contract registrations issued	453	441	441	551	545
Number of rental inspections performed	503	398	397	344	355
Number of point of sale inspections	342	335	300	270	319
Annual Apartment/Rooming House License Fees	\$7,560	\$8,495	\$9,375	\$8,345	\$7,275
Revenue generated from above 1,2,3,4	\$59,803	\$56,620	\$60,690	\$55,780	\$57,420
<b>Security of Persons &amp; Property</b>					
<i>Police</i>					
Total Calls for Services	10,536	10,042	9,858	10,421	10,055
Number of traffic citations issued	3,214	2,462	3,602	4,070	3,086
Number of parking citations issued	1,427	1,506	1,648	1,903	2,002
Number of criminal arrests	1,610	2,204	1,546	1,663	1,724
Number of accident reports completed	544	584	573	571	601
Part I Offenses (major offenses)	540	480	407	564	485
Animal Warden service calls responded to per annual report	1,566	2,186	1,478	1,470	1,381
Police Dept. Auxiliary hours worked	2,892	2,758	2,345	2,276	2,375
DUI Arrests	50	77	71	59	80
Prisoners	1,415	1,482	1,338	1,393	1,214
Prisoner meal costs	\$14,157	\$15,754	\$15,019	\$11,988	\$5,388
Motor Vehicle Accidents	526	584	573	563	603
Property damage accidents	452	501	491	472	467
Fatalities from Motor Vehicle Accidents	1	1	0	0	0
Gasoline costs of fleet	\$49,549	\$38,858	\$31,231	\$26,256	\$29,327
Community Diversion Program Youths	75	73	49	70	147
Community Diversion Program - community service hours	1,048	1,026	820	956	870
<i>Fire</i>					
EMS Calls	1,629	1,608	1,397	1,483	1,534
Ambulance Billing Collections (net)	\$390,749	\$282,012	\$252,084	\$254,885	\$270,238
Fire Calls	540	449	417	382	359
Fires with Loss	28	25	30	25	25
Fires with Losses exceeding \$10K	8	7	5	4	4
Fire Losses \$	\$459,700	\$401,150	\$365,400	\$135,510	\$217,100
Fire Safety Inspections	425	464	343	296	n/a
Number of times Mutual Aid given to Fire and EMS	115	133	144	117	106
Number of times Mutual Aid received for Fire and EMS	62	60	41	43	48
<b>Public Health &amp; Welfare</b>					
Number of Health Inspections					
Cemetery burials	35	38	50	29	52
Cemetery cremations	19	22	20	16	14
Cemetery sale of lots	46	90	57	46	57
Cemetery receipts	\$48,380	\$66,517	\$46,207	\$35,553	\$50,177

(continued)



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

Function/Program	2005	2004	2003	2002	2001
<b>Leisure Time Activities</b>					
<i>Recreation</i>					
Recreation Swimming pool receipts	\$36,687	\$27,857	\$34,556	\$42,043	\$36,570
Recreation Mens & Womens Leagues receipts	18,962	18,979	25,217	22,282	23,880
Senior Van Fees	2,593	2,955	3,056	3,050	3,580
Playground Registration	10,750	2,390	2,210	1,785	1,930
Ellenwood Facilities rentals	26,274	23,237	25,792	26,767	31,447
Total Recreation Department receipts	<u>\$95,265</u>	<u>\$75,418</u>	<u>\$90,830</u>	<u>\$95,927</u>	<u>\$97,407</u>
<b>Community Development</b>					
Grant amounts received due to Economic Development Dept.	\$269,071	\$195,472	\$551,560	\$219,277	\$357,368
<b>Basic Utility Services</b>					
Refuse disposal per year (in tons) August through July	5,751	5,909	5,878	6,090	6,519
Refuse disposal costs per year August through July	\$490,430	\$478,351	\$462,900	\$508,996	\$500,653
Annual recycling tonnage (excluding leaf, and compost items)	487	599	735	593	615
Percentage of waste recycled	7.81%	9.20%	11.11%	8.87%	8.62%
<b>Transportation</b>					
Street Improvements - asphalt overlay (linear feet)	16,400	6,650	25,100	11,900	14,066
Rejuvenating Spray on Streets (Miles)	1.15	2.26	2.66	2.66	3.37
Crackseal Coating Program (Miles)	0.00	7.20	7.20	7.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	3,941	3,844	4,663	2,600	2,167
Guardrail Repair (hours)	40	144	16	80	80
Paint Striping (hours)	1,668	1,012	728	1,240	1,411
Street Sweeper (hours)	832	1,004	975	975	958
Cold Patch (hours)	2,419	2,492	993	1,795	1,896
Snow & Ice Removal regular hours	608	760	580	612	808
Snow & Ice Removal overtime hours	1,807	1,349	1,581	934	468
Sewer and Sanitary calls for service	894	869	894	952	1,139
After hours Sewer Calls (hours)	1,865	1,727	1,412	1,703	1,916
Sewer Crew (hours)	3,806	3,481	3,432	3,568	3,613
Sewer jet, Vac-all, other services (hours)	411	2,226	890	207	1,470
Landscaping Stump-Chipper service (hours)	5,429	4,796	5,532	5,238	5,100
Leaf collection (hours)	2,136	2,566	2,686	3,114	2,992
Holiday lights setup (hours)	1,798	1,699	1,452	1,803	1,505
Downtown Square Repair after events (hours)	420	420	300	120	54
Equipment repair/body shop (hours)	7,658	6,824	6,486	6,842	6,859
Sign department (hours)	1,332	2,177	2,145	2,032	1,927
Number of Trees Planted per year	60-80	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	6,578	6,900	7,900	3,200	5,400
Cost of salt purchased	\$218,854	\$193,980	\$225,308	\$133,120	\$127,710
<b>Water Department</b>					
Water Rates per 1st 300 Cu ft of water used	\$16	\$16	\$15	\$15	\$14
Avg. number of water accounts billed monthly (Cu. Ft.)	4,899	4,911	4,961	4,982	4,980
Total Water Collections Annually (Including P&I)	\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975	\$2,833,238
Payments to Cleveland for bulk water purchases	\$2,546,858	\$2,499,987	\$2,544,728	\$2,339,734	\$2,234,770
<b>Wastewater Department</b>					
Wastewater Rates per 1st 300 Cu ft of water used	\$13.18	\$13.18	\$13.18	\$13.18	\$13.18
Total flow of wastewater treatment plant (Billions of Gallons)	1.018	1.054	1.024	0.913	0.844
Average daily flow (Millions of gallons per day)	2.788	2.880	2.806	2.502	2.313
Tons of dry sludge removed	214.42	205.71	199.09	167.98	n/a

(1) Information prior to 2001 is not available

**City of Bedford, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2005	2004	2003	2002
<b>General Government</b>				
Square Footage Occupied	44,035	44,035	44,035	30,559
Administrative Vehicles	1	2	1	1
Inspection Vehicles	3	3	3	3
Municipal Court Vehicles	2	2	2	2
Lands & Buildings Vehicles	2	2	2	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	3,511
Vehicles	20	20	20	19
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	3,652
Vehicles	10	10	9	9
<b>Recreation</b>				
Number of Parks	4	4	4	4
Number of Pools	1	1	1	1
Number of Ice Rinks	0	0	0	0
Number of Tennis Courts	0	0	0	0
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	7	7	7	7
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433
Vehicles	13	11	11	10
<b>Other Public Works</b>				
Streets (miles)	48	48	48	48
Service Vehicles	55	51	49	49
<b>Wastewater</b>				
Sanitary Sewers (miles)	41.80	41.80	41.80	41.80
Storm Sewers (miles)	48.70	48.70	48.70	48.70
Vehicles	6	6	6	5
<b>Water Department</b>				
Water Lines (miles)	100	100	100	100
Vehicles	4	4	4	4

2001	2000	1999	1998	1997	1996
30,559	30,559	30,559	30,559	30,559	30,559
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
3,511	3,511	3,511	3,511	3,511	3,511
18	16	16	16	16	15
1	1	1	1	1	1
3,652	3,652	3,652	3,652	3,652	3,652
9	9	9	9	9	9
4	4	4	4	4	4
1	1	1	1	1	1
0	0	0	0	0	0
0	0	0	0	0	0
1	1	0	0	0	0
4	4	4	4	4	4
9	9	8	8	8	8
1	1	1	1	1	0
25,433	25,433	25,433	25,433	25,433	25,033
9	9	9	9	9	9
48	48	48	48	48	48
50	48	47	47	45	45
41.80	41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70	48.70
5	4	4	4	4	4
100	100	100	100	100	100
4	4	4	4	4	4

**City of Bedford, Ohio**

*Water Utility Statistics*

*Last Ten Years*

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	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Water Purchased from Cleveland	102,694.70	101,437.20	106,665.40	101,389.20
Water Sold (Billed) to Users	75,840.80	71,942.10	75,071.30	79,344.80
Percent of Water Billed	73.85%	70.92%	70.38%	78.26%
Water Billings	\$3,369,868	\$3,080,348	\$3,083,091	\$3,116,242
Water Collections	\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975
Percentage Collected from Billings	100.68%	101.21%	101.40%	101.56%
Payments to City of Cleveland	\$2,616,567	\$2,499,987	\$2,554,728	\$2,339,734
Percentage of payments to the City of Cleveland compared to total water collections	77.12%	80.19%	81.72%	73.93%

Source: City of Bedford Water Department

2001	2000	1999	1998	1997	1996
100,084.60	92,267.30	92,843.20	92,668.40	96,700.00	93,216.00
72,249.40	71,872.70	74,438.80	76,645.00	75,892.30	77,494.30
72.19%	77.90%	80.18%	82.71%	78.48%	83.13%
\$2,769,579	\$2,652,814	\$2,567,483	\$2,440,326	\$2,258,400	\$2,329,050
\$2,833,238	\$2,640,467	\$2,622,742	\$2,485,012	\$2,318,566	\$2,335,941
102.30%	99.53%	102.15%	101.83%	102.66%	100.30%
\$2,234,770	\$1,982,641	\$1,918,360	\$1,755,173	\$1,719,497	\$1,515,443
78.88%	75.09%	73.14%	70.63%	74.16%	64.88%

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# **City Of Bedford, Ohio**

**December 31, 2005**

**City of Bedford, Ohio**

**For The Year Ended December 31, 2005**

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

Members of the City Council  
Bedford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford (the "City"), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 19, 2006, wherein we noted the City adopted *Government Accounting Standards Board Statement No. 40 and 42*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 19, 2006.

Members of the City Council  
Bedford, Ohio

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

*Cuni & Parichi, Inc.*

Cleveland, Ohio  
May 19, 2006

# City Of Bedford, Ohio

## Schedule of Findings

**December 31, 2005**

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### 1. Summary of Auditor's Results

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

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

None.

### 3. Findings for Federal Awards

None.

**City of Bedford, Ohio**

Schedule of Prior Audit Findings

**December 31, 2005**

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
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None.

# City Of Bedford

165 Center Road  
Bedford, Ohio 44107  
(440) 232-1600

Response to Findings Associated with Audit Conducted  
in Accordance with *Government Auditing Standards*  
for the Year Ended December 31, 2005

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
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None.





**Auditor of State  
Betty Montgomery**

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P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF BEDFORD**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 18, 2006**