

**CITY OF BEDFORD
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF BEDFORD
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	1

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Bedford
Cuyahoga County
65 Columbus Road
Bedford, Ohio 44146

To the Members of City Council:

We have audited the financial statements of the City of Bedford, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 25, 2002, in which report we noted the City adopted Governmental Accounting Standards Board Statement No. 33. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 25, 2002.

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 25, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 25, 2002

City of Bedford, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2001

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS DECEMBER 31, 2001

TABLE OF CONTENTS **PAGE**

Introductory Section

Title Page	
Table of Contents	ii
Letter of Transmittal.....	vii
GFOA Certificate of Achievement.....	xxv
List of Principal City Officials	xxvi
Organizational Chart	xxvii

Financial Section

Independent Auditors' Report.....	1
General Purpose Financial Statements (Combined Overview).....	3
Combined Balance Sheet – All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds.....	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual – All Governmental Fund Types	12
Comparative Combined Statements of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types.....	16
Comparative Combined Statements of Cash Flows – All Proprietary Fund Types.....	17
Notes to General Purpose Financial Statements	19

Combining and Individual Fund and Account Group Statements and Schedules

General Fund:	47
Comparative Balance Sheets.....	48
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	49
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	50

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS DECEMBER 31, 2001

TABLE OF CONTENTS **PAGE**

Combining and Individual Fund and Account Group Statements and Schedules (Continued)

Special Revenue Funds:	54
Combining Balance Sheet.....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
Community Development Block Grant	64
Enterprise Zone.....	65
State Highway.....	66
Indigent Drivers Alcohol Treatment.....	67
Recreation	68
SEAL Narcotics Task Force	69
Cemetery	70
Enforcement and Education.....	71
Street Lighting	72
Street Maintenance and Repair	73
Law Enforcement Trust	74
Motor Vehicle License.....	75
Fire Equipment	76
Grants.....	77
Fire Medic Levy.....	78
Muni Court Special Programs.....	79
Total All Special Revenue Funds	80
Debt Service Funds:	81
Combining Balance Sheet.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	84
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Obligation Debt Service	86
Rockside Road Water Special Assessment.....	87
Rockside Road Sanitary Sewer Special Assessment	88
Palmetto Avenue Special Assessment	89
Debt Service Special Assessment.....	90
Total All Debt Service Funds	91

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS DECEMBER 31, 2001

TABLE OF CONTENTS **PAGE**

Combining and Individual Fund and Account Group Statements and Schedules (Continued)

Capital Projects Funds:.....	92
Combining Balance Sheet.....	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	95
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
Municipal Court Improvement	97
Northfield and Rockside Road Improvement	98
Capital Improvement	99
Turney Road	100
Wandle Avenue Rehabilitation	101
New City Hall	102
Total All Capital Projects Funds.....	103
Enterprise Funds:.....	104
Combining Balance Sheet.....	105
Combining Statement of Revenues, Expenses and Changes in Retained Earnings.....	106
Combining Statement of Cash Flows	107
Internal Service Fund:	109
Balance Sheet.....	110
Statement of Revenues, Expenses and Changes in Retained Earnings.....	111
Trust and Agency Funds:	112
Combining Balance Sheet – Trust and Agency Funds	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Expendable Trust Funds	115
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	116

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS DECEMBER 31, 2001

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
General Fixed Assets Group:	117
Comparative Schedule of General Fixed Assets by Source.....	118
Schedule of Changes in General Fixed Assets by Function and Activity.....	119
Schedule of Changes in General Fixed Assets by Function and Activity.....	120
 <u>Statistical Section</u>	
General Governmental Revenues by Source – Last Ten Fiscal Years.....	121
General Governmental Expenditures by Function – Last Ten Fiscal Years.....	122
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	123
Property Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years.....	124
Property Tax Levies and Collections – Last Ten Fiscal Years	125
Special Assessment Collections – Last Ten Fiscal Years.....	126
Computation of Legal Debt Margin.....	127
Computation of Direct and Overlapping Debt.....	128
Ratio of Annual Debt Service for General Bonded Debt to General Governmental Expenditures – Last Ten Fiscal Years.....	129
Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita – Last Ten Fiscal Years	130
Revenue Bond Coverage – Wastewater and Water Systems Bonds – Last Ten Fiscal Years.....	131
Demographic Statistics	133
Employment Distribution by Occupation	134
Property Value, Construction and Bank Deposits – Last Ten Fiscal Years.....	135
Principal Taxpayers	136
Other Statistics	137

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

TABLE OF CONTENTS **PAGE**

Water Utility Statistics (1994-2001)..... 138

This Page is Intentionally Left Blank.



CITY OF BEDFORD OHIO

June 30, 2002

Dear Members of Council and
Citizens of the City of Bedford, Ohio

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, (the "City") for the fiscal year ended December 31, 2001, 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. We believe the data presented is accurate in all material respects and that it presents fairly the financial position and results of operations of the various funds and account groups 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: Introductory, Financial and Statistical. The introductory section includes the City's organizational chart, the table of contents, this transmittal letter and a list of principal officials. The financial section includes the independent auditor's report, the general purpose financial statements, the notes to the financial statements and the combining and individual fund and account group financial statements and schedules which provide detail information for the 2001 fiscal year. The statistical sections, which are generally presented on a multi-year basis, include selected financial, economic and demographic information about the City for the last ten years or other specified periods.

CITY SERVICES

The City provides the following services for its citizens: Police and Fire Protection, Emergency Medical Services, Refuse Collection, Street Maintenance, Recreation and Senior Citizen Programs. Additional programs are provided through the City's Ellenwood Center, Municipal Court, Public Health Department, Community Development, Public Improvements, Water and Sewer Services (including maintenance and capital improvements to the Wastewater Plant and infrastructure) and General Administration Services.

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 (10) years, has invested heavily into 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.

The City handles the collection and processing of water run off and sewage through its storm and sanitary lines and processes the run off and sewage through its plant, which, since 1986 has received capital improvements to conform to EPA standards in the amount of \$11,600,000. These costs are being passed through to consumers utilizing the system. Effective January 1, 1991, the City's income tax rate increased from 1.75% to 2.00%. The City Council in turn rescinded the refuse fee charged to all dwellings to offset the cost of waste disposal collection which is contracted to an outside vendor.

On May 4, 1999, the City of Bedford electors voted to increase the City income tax by .25%, the new rate of 2.25% was effective January 1, 2000. Along with this tax increase, the City also passed legislation to increase the tax credit an additional .25%, this was also effective January 1, 2001. The proceeds generated by this rate increase will be used for the construction of a new Municipal Complex including a Municipal Court. In addition, capital improvements to sewer plant and lines will be performed.

The Cleveland Illuminating Company and the East Ohio Gas Company, both independent, publicly-owned utilities, provide the City residents with electricity and natural gas.

In addition to the basic services, the City continues to offer superior recreational facilities for its residents. The City operates four (4) municipal playgrounds and tot lots, Hutchinson Soccer Field, a swimming pool, 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.

In keeping with its primarily residential character, the City hired 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.

CITY ORGANIZATION

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 which covers 5.6 square miles. The City's 2001 estimated population for 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 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, Police Chief and Fire Chief are under his authority. The Police Chief and Fire Chief 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.

REPORTING ENTITY

The City has reviewed its reporting entity definition in order to assure conformance with the Statements issued by the Governmental Accounting Standards Board. The financial reporting entity consists of the City (the primary government) as well as any component units for which the elected officials of the City are financially accountable. A component unit is a legally separate organization which would be included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Based upon this criteria, these financial statements do not include any component units.

ECONOMIC CONDITION AND OUTLOOK

The City of Bedford administration created the Bedford Community Development Corporation, a 501C(3) organization to dedicate itself 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. This organization hired an Executive Director to plan and coordinate this development. The City of Bedford hired 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 of Bedford in April 1990. The City established a Community Reinvestment area in 1997, which also included all land within the boundaries of the City of Bedford. The establishment of the Enterprise Zone and the Community Reinvestment areas gave the City the ability to maintain and expand business located in the City and created new jobs.

Ben Venue Laboratories, Inc., the City of Bedford's largest employer, was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and is the 19th largest pharmaceutical company in the world, having more than 28,000 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 recently invested tens of millions of dollars into two highly automated manufacturing facilities located in Mexico City, Mexico and Barcelona, Spain. On August 17, 2001, Ben Venue Laboratories approached 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 has agreed to an expansion of its facilities by 165,000 square feet to expand its 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 lyophilized (freeze-dried) and vacuum-dried injectable drugs in the United States. Since 1975, Ben Venue has obtained over 70 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 of Bedford, Cuyahoga County and the State of Ohio in adding value to the Community.

Ben Venue has previously entered into two agreements with the City of Bedford 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 five 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 two years, Ben Venue has added more than the 75 jobs it originally committed to add over five years. In the current abatement applications, Ben Venue agrees that the project will involve an investment of not less than \$84.5 million dollars at the projected site. Included in this investment will be approximately \$25 million for new construction, \$44 million for machining and equipment, \$1 million in furniture and fixtures, and \$14.5 million in increased inventory. Ben Venue shall create within a time frame of less than five 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 of Bedford, the Bedford School District, Cuyahoga County, and State of Ohio are as follows:

- ◆ The Enterprise Zone agreement for personal property is 100% for the first seven years and 80% for three final years starting January 1, 2001 (10 years total).
- ◆ The Community Reinvestment Area abatement on real estate construction will be 100% for the first seven years and 80% for the final eight years (15 years total).
- ◆ The City will share 30% of the 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.

The City of Bedford takes pride in its downtown shopping area and promotes community and economic development opportunities for businesses. In the year 2001, the City applied for a Streetscape grant to completely rehabilitate the sidewalks and enhance the downtown area with trees, brick pavers, and lighting. Due to the City's commitment of enhancing the downtown area, building owners have followed suit. Craig Creager, of Creager Properties, invested \$250,000 in renovating his building downtown. These buildings have been in urgent need of improvement. With this investment, four new upscale apartments have been renovated, for lease amounts starting at \$600.

Arabica Café is investing a total of \$100,000 in the 2,000 square foot facility, located in the heart of historic downtown Bedford. This investment will bring approximately 10 new jobs to the downtown area.

Ampere Electric, an electrical contractor, purchased an old dilapidated building and renovated it. The company has spent over \$500,000 in total investment. Ampere has brought 20 new jobs to the City of in 2001.

Giant Eagle is investing approximately \$2.2 million dollars in the existing store located at 900 Northfield Road. This store is approximately 38,000 square feet. Proposed construction will begin in the spring of 2002.

Acura Volvo has committed to an \$800,000 total investment to their existing facility. With this investment, they will create five new jobs and retain their existing payroll of \$2,555,428.

Future projects that require the City to apply for various grants are:

Powers Road widening – this is the entrance to the downtown shopping area and this project would allow improved traffic flow.

Green Trails – Bike trails from the new municipal complex to the Viaduct Park and to the Cleveland Metroparks are being requested for construction under the Issue I O.D.N.R. Grant Program.

Utilities – A Community Development Block Grant application has been submitted to allow conduit and utility lines to be buried underground in the downtown Historic District shopping area.

In 1999, the City issued \$5 million dollars of General Obligation Bonds to partially fund the construction of a new municipal center. In conjunction with this bond sale, the City of Bedford received an upgraded rating from Moody's Investor Services, the new rating is A1 and Standard & Poor's awarded an A+ rating.

MAJOR INITIATIVES

During the Fiscal Year ended December 31, 2001, the City completed or made substantial progress toward several major goals or projects.

The City of Bedford was awarded a grant of \$150,000 from the Community Development Block Grant Program for the improvement of the Downtown Streetscape. The City also was awarded a \$34,000 grant from the Community Development Block Grant Program for the residential housing improvements. These improvements to ten houses were completed in 2001. The City applied for and received a Community Development Block Grant in the amount of \$150,000 for improvement of Lamson Avenue. This is a street that leads to the new municipal center complex. This project is estimated to cost the City \$630,345.

The City of Bedford has broken ground for a new Municipal City Hall, a new Fire Station and a new Municipal Court/Police Station complex. The bids were received and the project is projected to cost \$16.7million. The old square footage of the City Hall is 33,000 square feet, whereas the new complex will create 88,000 square feet of new buildings. The project is expected to be completed by June 2003.

The City administration prepared and, through Council, adopted the 2002 annual budget (appropriations) before December 31, 2001, thereby allowing the City Departments to bid early in the Spring to take advantage of lower bids on construction costs and allow more efficiency in preparing for recreational activities of the Summer.

The City adopted, once again, the 5-year Capital Improvement Program.

The City was awarded a grant of \$101,580 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. 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, the total funding was \$238,574.

The Service Department increased spending on sidewalks and street improvements. The amounts expended were \$120,269 and \$483,227, respectively.

CONSTRUCTION PROJECTS

- The City completed the resurfacing of Columbus Road at a cost to the City of \$78,823.
- The City completed most of the new Signalization project in 2001. The total cost of the project is \$1,889,624. The City's share of this project is expected to be \$189,624.
- The Forbes Road Project was completed by the Cuyahoga County Engineer's Office at a cost to the City of \$32,191.

- The City completed the rubberized railroad crossing projects at Turney Road and West Glendale at a cost of \$64,000.
- The City in cooperation with the Cleveland Metroparks completed the development at Viaduct Park and the Bedford Falls at a cost of \$399,100. The City of Bedford's portion of the contract is \$69,140.
- The General Fund ended the year with a cash operating balance of \$7,409,127. The operating cash balance represents 45.1% of total expenditures or 65 days of operating expenditures.
- The street lighting rate of millage was maintained for the second year at 1.2 mills, as industry moved in and values of properties increased.
- The City realized eight years of wastewater savings from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5% more than the City is charging today (over \$1,600,000 has been saved to date).
- The Finance Department purchased new software for fixed asset reporting and financial purposes from Software Solutions Incorporated in the amount of \$37,425. Installation was performed in 2001 and the software is being utilized in 2002.
- The Police Department received a grant in the amount of \$27,000 for the Community Diversion Program.
- The Bedford Fire Department performed 1,534 ambulance runs in the year 2001. The ambulance runs generated a total of \$294,774 net of the administrative billing costs.
- The City of Bedford's ISO fire rating was upgraded to a Class 4. This upgrade was due in part to continuously improved operations, equipment, record keeping and training.
- The Recreation Department completed the construction of the Skateboard Park at a cost of \$104,000. This park is being utilized by the residents of Bedford.
- The City has applied for and received EPA loans for the Rapid Sand-filter System and the Oxidation Tower project in the amount of \$2,465,875 and \$2,100,000, respectively.
- The City received the full loan for the Rapid Sand-filter System project. The City received a grant for \$945,000 (50%) for the Oxidation Tower project and a zero percent loan for \$945,000. The City's matching portion towards the Oxidation Tower project is \$210,000.
- The Wastewater Plant completed the cleaning and improvement of the Sludge Digester System. The cost of the project was \$236,595.

CASH MANAGEMENT

The cash resources of most funds are combined and invested to the extent available in repurchase agreements, certificates of deposit, treasury bills, STAROhio and other authorized government instruments. Repurchase agreements use collateral only treasury bills or treasury notes with maturities of five years or less. All securities are delivered to the City's depository in Cleveland for safekeeping in the City's account. Interest earned is distributed on a pro-rata basis to all restricted funds with the remainder distributed to the applicable funds. The total interest earned during fiscal year 2001 was \$1,342,464.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its investments. Deposits and investments were either insured by federal depository insurance or collateralized with securities as permitted under state law. The City's deposit and investments are classified in risk categories 1, 2, or 3, as defined by the Government Accounting Standards Board (see Note 4).

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.

ACCOUNTING POLICIES AND BUDGETARY CONTROL

The City of Bedford reports on a modified accrual/accrual basis of accounting, which conforms with accounting principles generally accepted in the United States of America (GAAP). Under this system, the Governmental and Fiduciary Fund Types utilize a modified accrual basis of accounting. On this basis, revenues are recognized when measurable and available to finance current expenditures; expenditures are recognized when goods and services are received and liabilities are incurred. The Proprietary Fund Types are accounted for on the accrual basis of accounting. On this basis, revenues are recognized when earned; expenses are recognized when incurred.

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 fiscal years 2000/2001.

The City Manager is authorized to transfer appropriations between line items within a department. Any increase in the total appropriation for 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, creates the encumbrance against the current sufficient unobligated budget to accept the encumbrance without a budget overrun. Encumbrances do not lapse at year-end and are a reserve of fund equity which is carried forward into the next fiscal 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.

FUND AND ACCOUNT GROUP STRUCTURE

The City has organized its Funds and Account Groups as follows:

Governmental Funds

General Fund – To account for all financial resources except those required to be accounted for in a separate fund. Most of the City's basic services are accounted for in this fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities, except for those financed by Proprietary and Trust Funds.

Proprietary Funds

Enterprise Funds – To account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds

To account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds – To account for assets held by the City in trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City's Trust Funds are all considered to be expendable.

Account Groups

General Fixed Assets Account Group – To account for all fixed assets of the City, except those accounted for in the Proprietary and Trust Funds.

General Long-Term Obligations Account Group – To account for all long-term obligations of the City, except for those accounted for in the Proprietary and Trust Funds.

GENERAL GOVERNMENTAL REVENUES AND EXPENDITURES

Revenues for general governmental functions are classified under the following sources:

Property Taxes – Amounts levied against all real and public utility property, and tangible personal property used in business. Property taxes are levied on the assessed values as established by the County Auditor at 35% of market value for real property, true or net book value for public utility tangible personal property, 25% of average value for inventories (except those used by public utilities), and 25% of true value for all other personal property.

Municipal Income Taxes – Taxes levied at a rate of 2.25% on all wages, other compensation, and net profits earned within the City, as well as on the income of residents which is earned outside the City. In the latter case, the City allows a tax credit of 100% of the tax paid to another municipality up to a maximum credit of 1.50% of income earned outside the City.

Other Local Taxes – Includes franchise taxes and hotel/motel taxes on gross rentals.

State-Levied, Shared Taxes – Includes local government taxes received from the State of Ohio and Cuyahoga County based upon general sales taxes, income taxes, corporate franchise taxes, inheritance tax, cigarette, liquor and beer permit fees, and is distributed to the City according to various formulas.

Intergovernmental Grants and Contracts – Includes state aid for activities, other local, state and federal grants and local intergovernmental operating contracts.

Charges for Services – Includes charges for general governmental services, swimming pools, and other recreation programs.

Fees, Licenses and Permits – Includes charges for zoning appeals fees, building trade licenses, permits and inspections.

Fines and Forfeitures – Payments received by the City through the Bedford Municipal Court from fines, costs and bond forfeitures from both civil and criminal cases.

Special Assessments – Includes revenues from assessments levied on various parcels of property to finance special benefits conferred upon the parcels.

Interest Earnings – Interest earned on investments.

All Other Revenue – Miscellaneous revenues not otherwise accounted for.

The following summary schedule compares revenues and other financing sources for general governmental functions which include the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds and includes a discussion of material differences from 2000 to 2001.

<u>Revenue Source</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) From 2000</u>
	<u>2001</u>	<u>2000</u>	
Property Taxes	\$ 3,520,089	\$ 3,160,866	\$ 359,223
Municipal Income Taxes	8,936,404	9,048,721	(112,317)
Other Local Taxes	123,776	72,614	51,162
State-Levied, Shared Taxes	1,771,123	1,713,365	57,758
Intergovernmental Grants & Contracts	2,476,698	1,192,488	1,284,210
Charges for Services	470,216	450,995	19,221
Fees, Licenses and Permits	119,478	127,469	(7,991)
Fines and Forfeitures	1,099,035	818,085	280,950
Special Assessments	423,688	372,431	51,257
Interest Earnings	1,159,891	1,094,591	65,300
All Other Revenue	<u>491,427</u>	<u>220,436</u>	<u>270,991</u>
Subtotal	20,591,825	18,272,061	2,319,764
Other Financing Sources	<u>7,288,848</u>	<u>6,273,551</u>	<u>1,015,297</u>
Total	\$ <u>27,880,673</u>	\$ <u>24,545,612</u>	\$ <u>3,335,061</u>

Property taxes increased due to the six year revaluation on property values by the County Auditor.

Intergovernmental Grants and Contracts increased due to more federal and state issue grant revenues received on an expenditure reimbursement basis in 2001. The majority of this increase was from the Signalization Grant: Fines and Forfeitures increased due to the increase in the amount of court reimbursement costs charged to other cities during the fiscal year.

Interest Earnings increased due to the investment of larger cash balances on hand and the borrowed funds for the new municipal complex.

Special Assessments increased due to the collection of receivables.

Municipal income taxes decreased due to the posting of income tax from the ¼ percent increase to the Sewer and Water Funds. The Water Fund received \$89,143, the Sewer Fund received \$133,625, and the City Hall Fund received \$907,680 of this voted increase in income taxes.

All other account increases (decreases) were within normal expectations.

Expenditures for general governmental functions are classified under the following categories:

Security of Persons and Property – expenditures for police and fire protection, animal control, and other activities where the primary purpose is to reduce the amounts and effects of external harm to individuals.

Public Health and Welfare – expenditures for health services, immunization, well baby care and other activities which provide for the physical and mental health of citizens by reducing the number, length, and severity of illnesses and disabilities.

Leisure Time Activities – expenditures for activities which provide year-round leisure time opportunities for citizens such as parks, recreation programs, swimming pools and playgrounds.

Community Development – expenditures for community planning and zoning, housing and building code enforcement, all aimed at providing citizens with decent, safe and sanitary housing as well as improving the general economic environment of the City.

Basic Utility Services – expenditures for storm sewers and drains, and refuse collection and disposal.

Transportation – expenditures for street maintenance and repair, and vehicle maintenance.

General Government – expenditures for the administration of activities such as City Council, City Manager, Finance, Law, Municipal Court as well as costs of independent audits, workers compensation, County Auditors’ deductions, and overall administrative support.

Capital Outlay – expenditures for the purchase of land, buildings, equipment or improvements to any of the foregoing, which have a unit cost greater than \$500.

Debt Service – expenditures for the principal and interest on the City’s general obligation and special assessment bonds, notes and other long-term debt.

The following summary schedule compares expenditures and other financing uses for general governmental functions which include the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds and includes a discussion of material differences from 2000 to 2001.

<u>Function</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) From 2000</u>
	<u>2001</u>	<u>2000</u>	
Security of Persons and Property	\$ 5,936,959	\$ 5,824,821	\$ 112,138
Public Health and Welfare	232,125	195,743	36,382
Leisure Time Activities	1,010,467	1,072,776	(62,309)
Community Development	615,877	403,115	212,762
Basic Utility Services	761,940	258,135	503,805
Transportation	1,719,426	1,730,093	(10,667)
General Government	3,526,175	3,478,323	47,852
Capital Outlay	4,800,947	3,308,034	1,492,913
Debt Service:			
Principal Retirement	328,189	192,260	135,929
Interest	<u>529,909</u>	<u>382,241</u>	<u>147,668</u>
Subtotal	19,462,014	16,845,541	2,616,473
Other Financing Uses	<u>7,191,324</u>	<u>6,561,251</u>	<u>630,073</u>
Total	\$ <u>26,653,338</u>	\$ <u>23,406,792</u>	\$ <u>3,246,546</u>

Security of Persons and Property increased due to an increase in wages for the Police and Fire Departments and the addition of one more police officer.

Community Development costs increased due to more Federal funds spent in 2001.

Basic utility service in 2001 increased due to the refuse costs. The refuse collection costs were previously categorized as an Enterprise Fund in the year 2000. In the year 2001, these costs were recorded in the General Fund.

Capital Outlay increased due to more overall capital project expenditures (municipal complex) and more grants received in 2001.

Other Financing Uses increased due to increased transfers out of the General Fund.

All other account increases (decreases) were within normal expectations.

GENERAL FUND REVENUES AND EXPENDITURES

As the primary operating fund of the City, the General Fund traditionally accounts for most of the general government revenues and expenditures. Consequently, schedules comparing fiscal year 2001 revenues and expenditures with fiscal year 2000 revenues and expenditures follow:

<u>Revenue Source</u>	<u>Year ended December 31,</u>		Increase (Decrease)
	<u>2001</u>	<u>2000</u>	<u>From 2000</u>
Property Taxes	\$ 2,555,284	\$ 2,319,838	\$ 235,446
Municipal Income Taxes	8,028,724	9,048,721	(1,019,997)
Other Local Taxes	123,776	72,614	51,162
State-Levied, Shared Taxes	1,262,221	1,195,417	66,804
Intergovernmental Grants & Contracts	653,304	590,431	62,873
Charges for Services	187,144	75,006	112,138
Fees, Licenses and Permits	118,121	126,664	(8,543)
Fines and Forfeitures	857,636	592,902	264,734
Interest Earnings	227,340	527,364	(300,024)
All Other Revenue	<u>55,610</u>	<u>73,978</u>	<u>(18,368)</u>
Subtotal	14,069,160	14,622,935	(553,775)
Other Financing Sources			
Operating Transfers-In	31,320	-	31,320
Proceeds from Manuscript Bonds	-	<u>200,000</u>	<u>(200,000)</u>
Total	<u>\$ 14,100,480</u>	<u>\$ 14,822,935</u>	<u>\$ (722,545)</u>

Municipal Income Taxes decreased due to the direct payments of income tax to the Water, Sewer and City Hall Funds to pay for projects in each fund accordingly.

Interest earning decreased more due to the lower interest rates during 2001 vs. 2000.

All other account increases (decreases) were within normal expectations.

<u>Expenditures</u>	<u>Year ended December 31,</u>		<u>Increase (Decrease) From 2000</u>
	<u>2001</u>	<u>2000</u>	
Security of Persons and Property	\$ 2,828,871	\$ 2,789,438	\$ 39,433
Public Health and Welfare	43,725	40,761	2,964
Leisure Time Activities	108,694	258,216	(149,522)
Community Development	271,831	212,996	58,835
Basic Utility Services	512,353	-	512,353
Transportation	1,262,155	1,245,393	16,762
General Government	3,383,844	3,425,932	(42,088)
Capital Outlay	<u>375,853</u>	<u>584,661</u>	<u>(208,808)</u>
Subtotal	8,787,326	8,557,397	229,929
Other Financing Uses			
Transfers-Out	<u>6,756,675</u>	<u>5,897,906</u>	<u>858,769</u>
Total	\$ <u>15,544,001</u>	\$ <u>14,455,303</u>	\$ <u>1,088,698</u>

Leisure Time Activities decreased due to less usage of the Tree Trimming Contract.

The decrease in Capital Outlay is due to the purchase of land and items in 2000 and no land purchases in 2001. All other account increases (decreases) were within normal expectations.

Fund Equity (Deficit)

Governmental operations during the year produced the following changes in fund equity (deficit) for the various Governmental Fund Types and Expendable Trust Funds.

<u>Fund Type</u>	<u>Fund Equity (Deficit) December 31,</u>		<u>Increase (Decrease) From 2000</u>
	<u>2001</u>	<u>2000</u>	
General	\$ 9,114,557	\$ 10,524,051	\$ (1,409,494)
Special Revenue	2,884,106	2,623,092	261,014
Debt Service	473,223	419,821	53,402
Capital Project	8,355,505	5,944,594	2,410,911
Expendable Trust	(47,519)	33,412	(80,931)

The General Fund Equity decreased due to the transfer of \$2 million to the new City Hall Fund.

The Special Revenue Fund Equity has increased due to more grant revenue received in 2001.

The Capital Projects Fund Equity increased due to a \$5 million Bond Issue for the New City Hall.

The increases (decreases) in all other fund types were within normal expectations.

ENTERPRISE FUNDS

The City maintains three Enterprise Funds to account for Proprietary Type operations where a majority of revenues are derived from user charges. The Enterprise Funds are as follows:

- 1) Water Fund – This fund is used to account for the delivery of water and services to the residents of the City and some residents of adjoining cities.
- 2) Wastewater Fund – This fund is used to account for the services to the residents of the City and the maintenance of the City’s Wastewater Treatment Plant.
- 3) Refuse Fund – This fund accounts for sanitation and landfill services provided by the City.

Water Fund

The City’s Water Fund was established to account for utility operations. Principal revenue sources are metered water sales, connection fees and related income. The last water rate increases to the public were during fiscal years 2001 and 2000. The water rates increased by 6.2% on January 1, 2001 and 3.4% on January 1, 2000.

Comparative data for the past two fiscal years is illustrated below:

	<u>December 31,</u>		Increase (Decrease)
	<u>2001</u>	<u>2000</u>	<u>From 2000</u>
Operating Revenues	\$ 2,951,034	\$ 2,769,083	\$ 181,951
Operating Expenses	(2,664,612)	(2,472,911)	(193,503)
Non-Operating Income	82,022	81,967	55
Non-Operating Expense	<u>(140,372)</u>	<u>(137,729)</u>	<u>(841)</u>
Net Income	\$ <u>228,072</u>	\$ <u>240,410</u>	\$ <u>(12,338)</u>

Wastewater Fund

The City’s Wastewater Fund was established to account for utility operations. Principal revenue sources are sewer fees and related income. The City increased the sewer rates on January 1, 1999 to 5.7%.

Comparative data for the past two fiscal years is illustrated below:

	<u>December 31,</u>		Increase (Decrease)
	<u>2001</u>	<u>2000</u>	<u>From 2000</u>
Operating Revenues	\$ 2,178,848	\$ 1,994,234	\$ 184,614
Operating Expenses	(1,614,895)	(1,430,403)	(184,492)
Non-Operating Income	227,754	112,505	115,249
Non-Operating Expense	<u>(942,086)</u>	<u>(610,455)</u>	<u>(331,631)</u>
Net Income (Loss)	\$ <u>(150,379)</u>	\$ <u>65,881</u>	\$ <u>(216,260)</u>

The nonoperating expense infrastructure capital expenditures have increased in 2001 and were due to the wastewater plant projects.

OWDA loan interest expense debt service is included in non-operating expense.

Refuse Fund

The Refuse Fund accounts for the trash and garbage collection function within the City and the cost of hauling to a landfill. The City reclassified this service into the General Fund in 2001.

INTERNAL SERVICE FUNDS

Hospitalization Fund

The Hospitalization Fund accounts for the 3rd party administration costs, underwritten casualty insurance premiums, medical, dental and eye care claims. The City has a liability of up to \$75,000 per covered employee or dependent claim. Each covered employee is subject to a \$1,000,000 lifetime maximum coverage.

A \$20.00 co-insurance applies to all doctor visits; however, no co-insurance or deductibles apply except in the case of a non emergency hospital visit which has a \$25 deductible.

The Hospitalization Fund was established in 1991. Comparative data for the past two fiscal years is illustrated below:

	<u>December 31,</u>		<u>Increase</u>
	<u>2001</u>	<u>2000</u>	<u>(Decrease)</u>
			<u>From 2000</u>
Operating Revenues	\$ 1,374,746	\$ 1,195,533	\$ 179,213
Operating Expenses	(1,284,502)	(1,343,677)	59,175
Non-Operating Income	4,918	2,162	2,756
Operating Transfers - In	<u>-</u>	<u>29,032</u>	<u>(29,032)</u>
Net Income (Loss)	\$ <u>95,162</u>	\$ <u>(116,950)</u>	\$ <u>212,112</u>

DEBT ADMINISTRATION

At December 31, 2001, the City's outstanding long-term debt obligations, including interest rate ranges, were as follows:

Short-Term Debt:

General Obligation Note Issue (2.50%)	\$ 5,000,000
General Obligation Wastewater Note Issue (3.25%)	670,400

Long-Term Debt:

Water System General Obligation Debt (4.00% to 5.875%) Series 1997 due through 2017	655,000
Mortgage Revenue Bonded Debt (5.0% to 6.75%)	1,145,000
Special Assessment (G.O.) Bonded Debt (4.60% to 6.62%)	155,000
Ohio Public Works Commission – Issue 2 0% loan – Revenue Issue	54,122
Mortgage Revenue Loan – Ohio Water Development Authority (5.25%) and 4.80%	7,793,761
Special Assessment Bonded Debt (4.625% to 9.75%)	915,000
General Obligation Bond Debt (3.85% to 5.45%)	4,730,000
General Obligation Manuscript Bond (0%)	150,000
Ohio Public Works Commission – Issue 2 -- 0% Loan – G.O. Debt	770,900
Capital Lease Obligation	213,308
Unfunded Pension Liabilities – Police Pension	218,467

The City's current bond rating is as follows:

Moody's	A1
Standard & Poor's	A+

GENERAL FIXED ASSETS

The General Fixed Assets of the City include all City-owned land, buildings, furniture and fixtures, machinery and equipment, and trucks and autos used in the performance of governmental functions. The General Fixed Assets Account Group excludes the fixed assets of Proprietary Funds. Infrastructure improvements such as roads and sidewalks are not included in the fixed assets of the General Fixed Asset Account Group. As of December 31, 2001, the General Fixed Assets of the City amounted to \$14,884,861. This amount represents the historical cost or estimated historical cost (if actual historical cost is not available). Depreciation on general fixed assets is not recorded in the General Fixed Assets Account Group.

RISK MANAGEMENT

The City of Bedford's Finance Department coordinates comprehensive general liability, automobile physical damage and liability, property, fire fighters liability, fire fighters errors and omissions, excess umbrella, 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 was able to increase its General Liability coverage to \$10 million by adding the excess liability coverage. The coverage is now \$10 million per occurrence and in the aggregate. The deductible is \$1,000 per occurrence.

The following are the City's current coverages:

- Automobile Collision deductible is \$100 for comprehensive and \$250 for collision.
- General Liability is a \$10 million aggregate with a \$10 million occurrence and a \$1,000 deductible.
- Property Insurance includes a \$1,000 deductible and coverage up to \$18,716,142.
- Boiler and Machinery includes \$1,000 deductible except \$5,000 on any sewer or water treatment locations and coverage up to \$4,500,000 property damage limit.
- Firefighters Errors and Omissions contains a \$1,000 deductible and \$10 million per occurrence and aggregate coverage.
- Ambulance Professional has a \$10 million aggregate and \$1 million occurrence coverage.

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.

INDEPENDENT AUDIT

In accordance with Ohio law annual independent audits are 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. The Bedford City Council selected the Auditor of the State of Ohio to perform these services for 2001. Their report is presented in the financial section.

The Government Finance Officers Associations of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both accounting principles generally accepted in the United States of America (GAAP) as well as applicable legal requirements. The City of Bedford received this honor for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. A Certificate of Achievement is valid for a period of one year only. The City believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

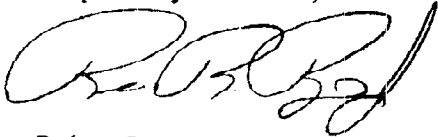
ACKNOWLEDGMENTS

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 accounting firm of Ciuni & Panichi, Inc. which contributed significantly to the preparation of this report. Sincere appreciation to the Auditor of State employees who worked diligently in completion of the audit. 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 which our residents have come to expect and enjoy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Reid". The signature is stylized with large, sweeping loops.

**Robert R. Reid
City Manager**

A handwritten signature in black ink, appearing to read "Frank Gambosi". The signature is written in a cursive style.

**Frank Gambosi, CPA
Director of Finance**

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, 2000

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.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

CITY OF BEDFORD, OHIO

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2001

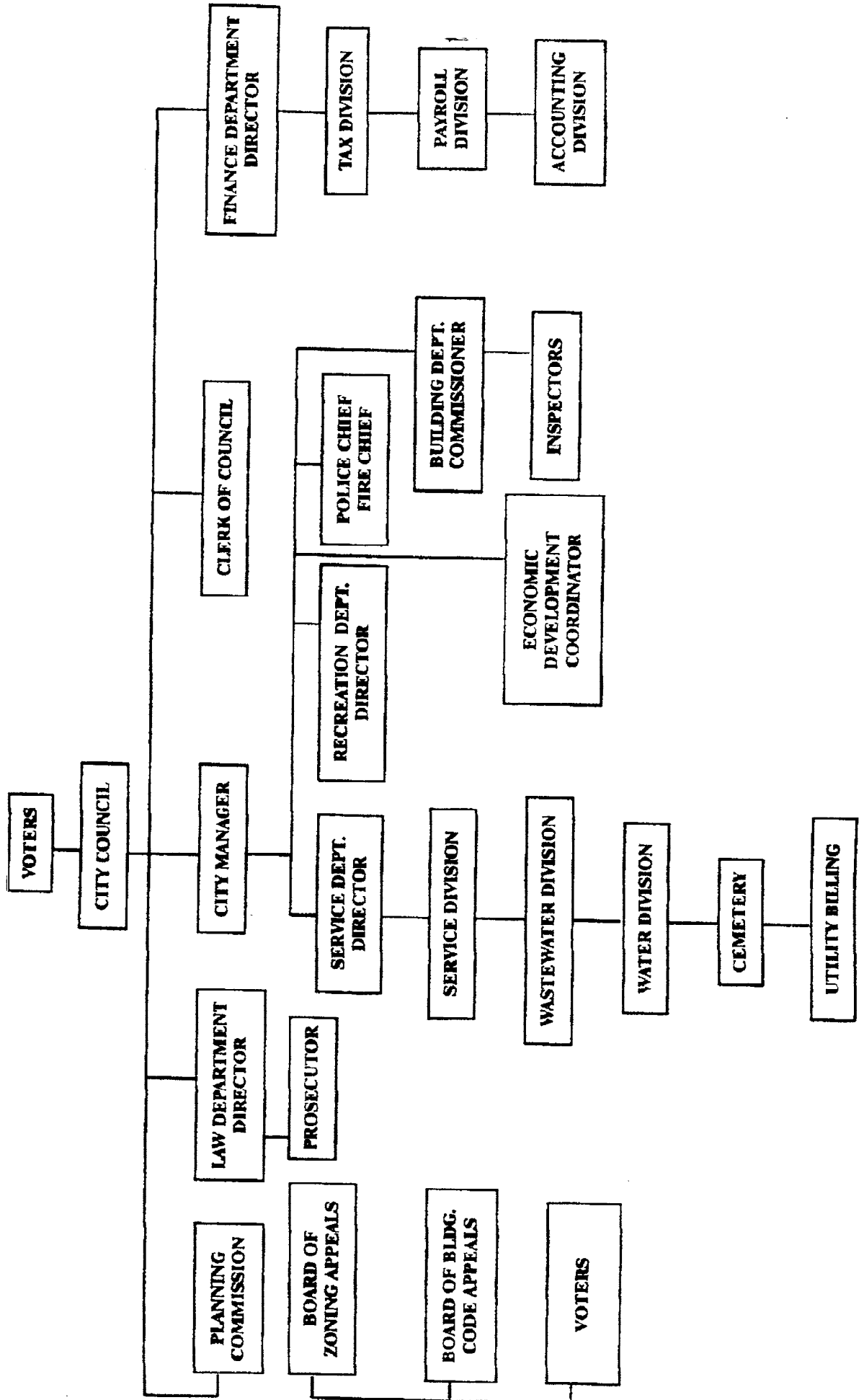
ELECTED OFFICIALS

<u>TITLE</u>	<u>NAME</u>
Mayor	Dan Pocek
Vice Mayor	Warner J. Batten
Council Member	Paula Mizensak
Council Member	Donald A. Saunders
Council Member	Gregory E. Pozar
Council Member	Stanley Koci
Council Member	Marilyn B. Zolata
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	Kenneth A. Schuman
Prosecutor	Kenneth A. Schuman
Clerk of Council	Gayle C. Pastor
Building Commissioner	Philip A. Seyboldt
Service Director	Clint E. Bellar
Superintendent of Public Works	Robert L. Duber
Chief of Fire	Kenneth A. Rybka
Chief of Police	Richard Borowiak
Director of Recreation	Randall J. Lewis

**ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO**



This Page is Intentionally Left Blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Bedford
Cuyahoga County
65 Columbus Road
Bedford, Ohio 44146

To the Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Bedford, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose 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 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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Bedford, Cuyahoga County, Ohio, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statement No. 33.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 25, 2002

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF BEDFORD, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2001

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of proprietary fund types.

CITY OF BEDFORD, OHIO

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debts</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 7,409,127	\$ 2,452,445	\$ 322,578	\$ 13,096,843
Segregated Cash and Cash Equivalents	-	-	-	-
Receivables	5,268,709	1,107,537	1,418,833	106,770
Interfund Receivable	-	-	3,114	-
Due from Other Governments	621,102	415,748	-	642,918
Inventories, at Cost	100,230	43,895	-	-
Prepaid Items	18,664	-	-	-
Unamortized Debt Issuance Costs	-	-	-	-
Unamortized Loss on Debt Refunding	-	-	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	-	-	-
Investments	-	-	-	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-
<u>Other Debts</u>				
Amount Available in Debt Service Funds	-	-	-	-
Amount to be Provided for Retirement of General Long-term Obligations	-	-	-	-
Amount to be Provided for Retirement of Special Assessments	-	-	-	-
 Total Assets and Other Debts	 \$ <u>13,417,832</u>	 \$ <u>4,019,625</u>	 \$ <u>1,744,525</u>	 \$ <u>13,846,531</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	General Fixed Assets	2001	2000
\$ -	\$ 133,232	\$ -	\$ -	\$ -	\$ 23,414,225	\$ 22,117,159
-	-	330,815	-	-	330,815	577,761
1,046,162	1,613	173,950	-	-	9,123,574	9,007,857
-	-	-	-	-	3,114	240,121
130,546	-	-	-	-	1,810,314	1,180,296
89,067	-	-	-	-	233,192	185,812
-	-	-	-	-	18,664	21,792
305,815	-	-	-	-	305,815	333,323
848,257	-	-	-	-	848,257	922,019
3,554,661	-	-	-	-	3,554,661	3,261,265
161,570	-	-	-	-	161,570	162,318
10,007,971	-	-	-	14,884,861	24,892,832	23,179,668
-	-	-	473,223	-	473,223	424,738
-	-	-	6,575,923	-	6,575,923	6,274,603
-	-	-	915,000	-	915,000	980,000
<u>\$ 16,144,049</u>	<u>\$ 134,845</u>	<u>\$ 504,765</u>	<u>\$ 7,964,146</u>	<u>\$ 14,884,861</u>	<u>\$ 72,661,179</u>	<u>\$ 68,868,732</u>

Continued

CITY OF BEDFORD, OHIO

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable and Accrued Expenses	\$ 894,803	\$ 350,152	\$ -	\$ 491,026
Due to Other Funds	-	-	3,114	-
Due to Other Governments	62,203	4,947	-	-
Amount Held as Fiduciary	-	-	-	-
Deferred Revenues	3,346,269	780,420	1,268,188	-
Police Pension Liability	-	-	-	-
Debt:				
Notes Payable	-	-	-	5,000,000
General Obligation Bonds Payable	-	-	-	-
Mortgage Revenue Bonds Payable	-	-	-	-
Special Assessment Bonds Payable with Governmental Commitment	-	-	-	-
OWDA Loan Payable	-	-	-	-
OPWC Loan Payable	-	-	-	-
Capital Lease Obligation	-	-	-	-
Total Liabilities	<u>4,303,275</u>	<u>1,135,519</u>	<u>1,271,302</u>	<u>5,491,026</u>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings	-	-	-	-
Contributed Capital	-	-	-	-
Fund Balance:				
Reserve for Encumbrances	192,687	605,911	-	10,078,349
Reserve for Inventory	100,230	43,895	-	-
Reserve for Prepaid Items	18,664	-	-	-
Reserve for Debt Service	-	-	473,223	-
Unreserved/Undesignated (Deficit)	<u>8,802,976</u>	<u>2,234,300</u>	<u>-</u>	<u>(1,722,844)</u>
Total Fund Equity (Deficit) and Other Credits	<u>9,114,557</u>	<u>2,884,106</u>	<u>473,223</u>	<u>8,355,505</u>
Total Liabilities, Fund Equity and Other Credits	\$ <u>13,417,832</u>	\$ <u>4,019,625</u>	\$ <u>1,744,525</u>	\$ <u>13,846,531</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Long-Term Debt	General Fixed Assets	2001	2000
\$ 522,892	\$ 97,165	\$ 329,921	\$ 966,471	\$ -	\$ 3,652,430	\$ 2,800,395
-	-	-	-	-	3,114	240,121
1,663	-	51	-	-	68,864	266,979
-	-	105,848	-	-	105,848	196,612
113,396	-	116,464	-	-	5,624,939	5,294,462
-	-	-	218,467	-	218,467	221,385
670,400	-	-	-	-	5,670,400	5,000,000
655,000	-	-	4,880,000	-	5,535,000	5,775,000
1,145,000	-	-	-	-	1,145,000	1,215,000
155,000	-	-	915,000	-	1,070,000	1,170,000
7,793,761	-	-	-	-	7,793,761	8,264,574
54,122	-	-	770,900	-	825,022	877,376
-	-	-	213,308	-	213,308	309,684
<u>11,111,234</u>	<u>97,165</u>	<u>552,284</u>	<u>7,964,146</u>	<u>-</u>	<u>31,925,951</u>	<u>31,631,588</u>
-	-	-	-	14,884,861	14,884,861	12,784,511
3,130,765	37,680	-	-	-	3,168,445	3,005,614
1,902,050	-	-	-	-	1,902,050	1,902,050
-	-	-	-	-	10,876,947	2,168,561
-	-	-	-	-	144,125	96,622
-	-	-	-	-	18,664	21,792
-	-	-	-	-	473,223	424,738
-	-	(47,519)	-	-	9,266,913	16,833,256
<u>5,032,815</u>	<u>37,680</u>	<u>(47,519)</u>	<u>-</u>	<u>14,884,861</u>	<u>40,735,228</u>	<u>37,237,144</u>
\$ <u>16,144,049</u>	\$ <u>134,845</u>	\$ <u>504,765</u>	\$ <u>7,964,146</u>	\$ <u>14,884,861</u>	\$ <u>72,661,179</u>	\$ <u>68,868,732</u>

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>General</u>	<u>Special Revenue</u>
<u>Revenues</u>		
Property Taxes	\$ 2,555,284	\$ 764,233
Municipal Income Tax	8,028,724	-
Other Local Taxes	123,776	-
State Levied, Shared Taxes	1,262,221	508,902
Intergovernmental Grants and Contracts	653,304	463,444
Charges for Services	187,144	283,072
Fees, Licenses and Permits	118,121	1,357
Fines and Forfeitures	857,636	128,117
Special Assessments	-	233,610
Interest Earnings	227,340	165,271
Miscellaneous	55,610	154,755
Total Revenues	<u>14,069,160</u>	<u>2,702,761</u>
<u>Expenditures</u>		
Current:		
Security of Persons and Property	2,828,871	2,330,563
Public Health and Welfare	43,725	187,400
Leisure Time Activities	108,694	901,773
Community Development	271,831	344,046
Basic Utility	512,353	249,587
Transportation	1,262,155	457,271
General Government	3,383,844	-
Capital Outlay	375,853	656,335
Debt Service:		
Principal Retirement	-	-
Interest	-	-
Total Expenditures	<u>8,787,326</u>	<u>5,126,975</u>
Excess of Revenues Over (Under) Expenditures	<u>5,281,834</u>	<u>(2,424,214)</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
\$ -	\$ -	\$ 163,764	\$ 3,483,281	\$ 3,160,866
-	907,680	-	8,936,404	9,048,721
-	-	-	123,776	72,614
-	-	-	1,771,123	1,713,365
-	1,359,950	-	2,476,698	1,192,488
-	-	-	470,216	450,995
-	-	-	119,478	127,469
-	113,282	-	1,099,035	818,085
190,078	-	-	423,688	372,431
26,123	739,377	1,780	1,159,891	1,094,591
<u>108,869</u>	<u>172,143</u>	<u>50</u>	<u>491,427</u>	<u>220,436</u>
<u>325,070</u>	<u>3,292,432</u>	<u>165,594</u>	<u>20,555,017</u>	<u>18,272,061</u>
-	-	777,525	5,936,959	5,824,821
-	-	1,000	232,125	195,743
-	-	-	1,010,467	1,072,776
-	-	-	615,877	403,115
-	-	-	761,940	258,135
-	-	-	1,719,426	1,730,093
108,869	33,462	-	3,526,175	3,478,323
-	3,768,759	-	4,800,947	3,308,034
328,189	-	-	328,189	192,260
<u>301,496</u>	<u>228,413</u>	<u>-</u>	<u>529,909</u>	<u>382,241</u>
<u>738,554</u>	<u>4,030,634</u>	<u>778,525</u>	<u>19,462,014</u>	<u>16,845,541</u>
<u>(413,484)</u>	<u>(738,202)</u>	<u>(612,931)</u>	<u>1,093,003</u>	<u>1,426,520</u>

Continued

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>General</u>	<u>Special Revenue</u>
<u>Other Financing Sources (Uses)</u>		
Proceeds from Sale of Assets	-	-
Proceeds from Hospital	-	-
Operating Transfers – In	31,320	2,674,880
Operating Transfers – Out	<u>(6,756,675)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,725,355)</u>	<u>2,674,880</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,443,521)	250,666
Fund Balances, Beginning of Year	10,524,051	2,623,092
Increase in Reserve for Inventory and Prepaid Items	<u>34,027</u>	<u>10,348</u>
Fund Balances (Deficit), End of Year	\$ <u>9,114,557</u>	\$ <u>2,884,106</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
-	-	-	-	21,296
-	87,500	-	87,500	200,000
471,009	3,492,139	532,000	7,201,348	6,052,255
<u>(4,123)</u>	<u>(430,526)</u>	<u>-</u>	<u>(7,191,324)</u>	<u>(6,561,251)</u>
<u>466,886</u>	<u>3,149,113</u>	<u>532,000</u>	<u>97,524</u>	<u>(287,700)</u>
53,402	2,410,911	(80,931)	1,190,527	1,138,820
419,821	5,944,594	33,412	19,544,970	18,402,759
<u>-</u>	<u>-</u>	<u>-</u>	<u>44,375</u>	<u>3,391</u>
\$ <u>473,223</u>	\$ <u>8,355,505</u>	\$ <u>(47,519)</u>	\$ <u>20,779,872</u>	\$ <u>19,544,970</u>

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 2,571,571	\$ 2,555,284	\$ (16,287)
Municipal Income Taxes	8,168,991	7,985,497	(183,494)
Other Local Taxes	111,700	112,615	915
State Levied, Shared Taxes	1,161,363	1,151,198	(10,165)
Intergovernmental Grants and Contracts	580,000	652,264	72,264
Charges for Services	206,000	209,422	3,422
Fees, Licenses and Permits	124,025	111,812	(12,213)
Fines and Forfeitures	913,600	875,106	(38,494)
Interest Earnings	425,000	413,245	(11,755)
Miscellaneous	52,251	56,657	4,406
Total Revenues	<u>14,314,501</u>	<u>14,123,100</u>	<u>(191,401)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,894,975	2,823,632	71,343
Public Health and Welfare	43,725	43,725	-
Leisure Time Activities	252,621	202,963	49,658
Community Development	303,357	261,552	41,805
Basic Utility Services	512,353	512,353	-
Transportation	1,311,172	1,283,471	27,701
General Government	3,678,481	3,377,571	300,910
Capital Outlay	<u>431,828</u>	<u>422,959</u>	<u>8,869</u>
Total Expenditures	<u>9,428,512</u>	<u>8,928,226</u>	<u>500,286</u>
Excess of Revenues Over (Under) Expenditures	<u>4,885,989</u>	<u>5,194,874</u>	<u>308,885</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	86,135	86,135	-
Operating Transfers – Out	<u>(6,997,942)</u>	<u>(6,756,675)</u>	<u>241,267</u>
Total Other Financing Sources (Uses)	<u>(6,911,807)</u>	<u>(6,670,540)</u>	<u>241,267</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,025,818)	(1,475,666)	550,152
Fund Balance, Beginning of Year	8,609,571	8,609,571	-
Reserved for Encumbrances	<u>275,222</u>	<u>275,222</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,858,975</u>	<u>\$ 7,409,127</u>	<u>\$ 550,152</u>

Continued

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 760,441	\$ 764,233	\$ 3,792
State Levied, Shared Taxes	549,001	509,140	(39,861)
Intergovernmental Grants and Contracts	816,254	394,206	(422,048)
Charges for Services	167,250	260,312	93,062
Fees, Licenses and Permits	1,000	1,357	357
Fines and Forfeitures	96,500	128,117	31,617
Special Assessments	285,000	233,610	(51,390)
Interest Earnings	32,699	165,271	132,572
Miscellaneous	<u>191,592</u>	<u>165,741</u>	<u>(25,851)</u>
Total Revenues	<u>2,899,737</u>	<u>2,621,987</u>	<u>(277,750)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,763,440	2,377,185	386,255
Public Health and Welfare	218,738	188,435	30,303
Leisure Time Activities	930,635	897,208	33,427
Community Development	775,193	373,649	401,544
Basic Utility	290,000	271,506	18,494
Transportation	1,356,842	1,027,246	329,596
Capital Outlay	<u>842,964</u>	<u>695,505</u>	<u>147,459</u>
Total Expenditures	<u>7,177,812</u>	<u>5,830,734</u>	<u>1,347,078</u>
Excess of Revenues Over (Under) Expenditures	(4,278,075)	(3,208,747)	1,069,328
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>2,901,410</u>	<u>2,674,880</u>	<u>(226,530)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,376,665)	(533,867)	842,798
Fund Balance, Beginning of Year	2,337,835	2,337,835	-
Reserved for Encumbrances	<u>648,477</u>	<u>648,477</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>1,609,647</u>	\$ <u>2,452,445</u>	\$ <u>842,798</u>

Continued

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Debt Service Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 183,104	\$ 190,078	\$ 6,974
Interest Earnings	4,501	26,123	21,622
Miscellaneous	<u>108,869</u>	<u>108,869</u>	<u>-</u>
Total Revenues	<u>296,474</u>	<u>325,070</u>	<u>28,596</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	328,190	328,189	1
Interest	<u>305,620</u>	<u>305,619</u>	<u>1</u>
Total Expenditures	<u>633,810</u>	<u>633,808</u>	<u>2</u>
Excess of Revenues Over (Under) Expenditures	<u>(337,336)</u>	<u>(308,738)</u>	<u>28,598</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	476,625	471,009	(5,616)
Operating Transfers – Out	<u>(17,617)</u>	<u>(17,617)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>459,008</u>	<u>453,392</u>	<u>(5,616)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	121,672	144,654	22,982
Fund Balance, Beginning of Year	<u>177,924</u>	<u>177,924</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>299,596</u>	\$ <u>322,578</u>	\$ <u>22,982</u>

Continued

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Capital Projects Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Municipal Income Taxes	\$ 895,000	\$ 907,680	\$ 12,680
Intergovernmental Grants and Contracts	1,688,716	927,961	(760,755)
Fines and Forfeitures	102,000	112,557	10,557
Interest Earnings	696,455	775,807	79,352
Miscellaneous	<u>225,712</u>	<u>254,853</u>	<u>29,141</u>
Total Revenues	<u>3,607,883</u>	<u>2,978,858</u>	<u>(629,025)</u>
<u>Expenditures</u>			
Current:			
General Government	50,000	33,462	16,538
Capital Outlay	16,546,225	14,194,625	2,351,600
Debt Service:			
Principal Retirement	5,000,000	5,000,000	-
Interest and Fiscal Charges	<u>230,608</u>	<u>230,608</u>	<u>-</u>
Total Expenditures	<u>21,826,833</u>	<u>19,458,695</u>	<u>2,368,138</u>
Excess of Revenues Over (Under) Expenditures	<u>(18,218,950)</u>	<u>(16,479,837)</u>	<u>1,739,113</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds From Sale of Notes	5,087,500	5,087,500	-
Operating Transfers – In	3,488,017	3,488,016	(1)
Operating Transfers – Out	<u>(430,526)</u>	<u>(430,526)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,144,991</u>	<u>8,144,990</u>	<u>(1)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,073,959)	(8,334,847)	1,739,112
Fund Balance, Beginning of Year	10,900,585	10,900,585	-
Reserved for Encumbrances	<u>10,531,105</u>	<u>10,531,105</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>11,357,731</u>	\$ <u>13,096,843</u>	\$ <u>1,739,112</u>

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – ALL PROPRIETARY FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>				
Charges for Services	\$ 4,864,116	\$ 1,374,746	\$ 6,238,862	\$ 5,911,439
Other Operating Revenues	<u>265,766</u>	<u>-</u>	<u>265,766</u>	<u>47,411</u>
Total Operating Revenues	<u>5,129,882</u>	<u>1,374,746</u>	<u>6,504,628</u>	<u>5,958,850</u>
<u>Operating Expenses</u>				
Personal Services	888,525	-	888,525	967,519
Contractual Services	2,254,867	-	2,254,867	2,616,286
Materials and Supplies	128,569	-	128,569	138,971
Benefits Payments	355,490	-	355,490	130,746
Depreciation and Amortization	543,031	-	543,031	467,147
Claims	-	1,284,502	1,284,502	1,343,677
Other Operating Expenses	<u>109,025</u>	<u>-</u>	<u>109,025</u>	<u>66,775</u>
Total Operating Expenses	<u>4,279,507</u>	<u>1,284,502</u>	<u>5,564,009</u>	<u>5,731,121</u>
Operating Income	<u>850,375</u>	<u>90,244</u>	<u>940,619</u>	<u>227,729</u>
<u>Non-Operating Income (Expense)</u>				
Interest Expense	(578,621)	-	(578,621)	(627,978)
Interest Income	177,655	4,918	182,573	137,018
Other Non-Operating Expenses	(503,837)	-	(503,837)	(120,206)
Other Non-Operating Income	<u>132,121</u>	<u>-</u>	<u>132,121</u>	<u>60,769</u>
Total Non-Operating Income (Expenses)	<u>(772,682)</u>	<u>4,918</u>	<u>(767,764)</u>	<u>(550,397)</u>
Income (Loss) Before Operating Transfers	77,693	95,162	172,855	(322,668)
Operating Transfers	<u>(10,024)</u>	<u>-</u>	<u>(10,024)</u>	<u>508,996</u>
Net Income	67,669	95,162	162,831	186,328
Retained Earnings (Deficit), Beginning of Year	<u>3,063,096</u>	<u>(57,482)</u>	<u>3,005,614</u>	<u>2,819,286</u>
Retained Earnings, End of Year	\$ <u>3,130,765</u>	\$ <u>37,680</u>	\$ <u>3,168,445</u>	\$ <u>3,005,614</u>

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
<u>Cash Flows From Operating Activities</u>				
Cash Received from Public	\$ 4,873,100	\$ -	\$ 4,873,100	\$ 4,679,434
Cash Received from Income Tax Collections	222,768	-	222,768	-
Cash Received from Other Departments	-	1,374,746	1,374,746	1,193,920
Cash Payments to Suppliers for Goods and Services	(2,752,525)	-	(2,752,525)	(2,834,466)
Cash Payments to Employees for Service	(910,824)	-	(910,824)	(870,881)
Cash Payments for Employees Benefits	(261,847)	-	(261,847)	(237,505)
Cash Payments for Claims	-	(1,290,454)	(1,290,454)	(1,333,500)
Other Operating Revenues	24,214	-	24,214	3,006
Other Operating Expenses	-	-	-	(47,927)
Net Cash Flows Provided by Operating Activities	<u>1,194,886</u>	<u>84,292</u>	<u>1,279,178</u>	<u>552,081</u>
<u>Cash Flows From Non-Capital Financing Activities</u>				
Operating Grants Received	-	-	-	43,677
Operating Transfers – Out From Other Funds	(47,222)	-	(47,222)	508,996
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(47,222)</u>	<u>-</u>	<u>(47,222)</u>	<u>552,673</u>
<u>Cash Flows From Capital and Related Financing Activities</u>				
Acquisition and Construction of Capital Assets	(670,387)	-	(670,387)	(38,335)
Proceeds from Sale of Bonds	671,975	-	671,975	-
Principal Paid on Bond Maturities	(130,000)	-	(130,000)	(125,000)
Principal Paid on OWDA Loan	(474,977)	-	(474,977)	(449,003)
Principal Paid on Ohio Public Works Commission Loan	-	-	-	(4,163)
Interest Paid on Bonds	(127,746)	-	(127,746)	(114,643)
Proceeds from Assessments	16,393	-	16,393	-
Proceeds from OWDA Loan	29,808	-	29,808	-
Interest Paid on OWDA Loan	(391,117)	-	(391,117)	(432,806)
Bond Issue Costs	(250)	-	(250)	-
Net Cash Used in Capital and Related Financing Activities	<u>(1,076,301)</u>	<u>-</u>	<u>(1,076,301)</u>	<u>(1,163,950)</u>

Continued

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

CITY OF BEDFORD, OHIO

COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)	
			2001	2000
<u>Cash Flows From Investing Activities</u>				
Interest and Dividends on Investments	<u>174,063</u>	<u>4,918</u>	<u>178,981</u>	<u>135,103</u>
Net Increase in Cash and Cash Equivalents	245,426	89,210	334,636	75,907
Cash and Cash Equivalents, Beginning of Year	<u>3,470,805</u>	<u>44,022</u>	<u>3,514,827</u>	<u>3,438,920</u>
Cash and Cash Equivalents, End of Year	\$ <u>3,716,231</u>	\$ <u>133,232</u>	\$ <u>3,849,463</u>	\$ <u>3,514,827</u>
<u>Reconciliation of Operating Income to Net Cash From Operating Activities</u>				
Operating Income	\$ 850,375	\$ 90,244	\$ 940,619	\$ 227,729
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities:				
Depreciation and Amortization	543,031	-	543,031	467,147
Change in Assets and Liabilities:				
Change in Receivables	49,067	-	49,067	2,770
Change in Interfund Receivable	-	-	-	(19,878)
Change in Due From Other Governments	-	-	-	(29,808)
Change in Inventories	123	-	123	(15,975)
Change in Accounts Payable and Accrued Expenses	(247,710)	(5,952)	(253,662)	605
Change in Interfund Payable	-	-	-	(89,916)
Change in Due to Other Governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,407</u>
Cash Provided by Operating Activities	\$ <u>1,194,886</u>	\$ <u>84,292</u>	\$ <u>1,279,178</u>	\$ <u>552,081</u>

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

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2001

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION

A. REPORTING ENTITY

The City of Bedford (the “City”) 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 and operates under the Council-Manager form of government with 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. Services provided by the City include police, fire, rescue, recreation programs, street maintenance and repairs, sanitation, water, wastewater treatment and general administrative services. The City purchases its water from the City of Cleveland and in turn bills its customers. The City owns and operates its own wastewater treatment facility. Except for water and sewage, the major utilities are provided by private entities.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No.14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The following governmental organization is included in the reporting entity of the City as required by generally accepted accounting principles:

The Bedford Municipal Court – The City budgets and appropriates funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court along with its share of the Court’s administrative and operating costs are recorded pursuant to State law in the City’s General Fund. Monies held by the Court in a fiduciary capacity are recorded as an agency fund in the accompanying financial statements (see Note 8).

The Court Judges are elected by residents of the district and work under the authority of the Chief Justices of the Supreme Court of Ohio. A copy of the Bedford Municipal Court Annual Report can be obtained by writing to the Clerk of Court at the same address as the City of Bedford.

The following governmental organizations have not been included in this Comprehensive Annual Financial Report:

The Bedford Board of Education, whose boundaries include the Cities of Bedford and Bedford Heights, as well as the Villages of Oakwood and Walton Hills, provides educational services to the residents of these communities. The City of Bedford exercises no management, fiscal or legal control over the Board of Education. The Board of Education is an autonomous governmental entity under Ohio law. All members of the Board of Education are elected by the residents who live within the boundaries of the school district.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

The University Hospital's Health Systems – Bedford Medical Center, both of which conduct their activities within the City's boundaries for the benefit of the City and its residents, are excluded from the accompanying financial statements because the City does not exercise significant influence over their daily operations, designate management, approve budgets, maintain accounting records or provide funding.

B. UNIVERSITY HOSPITALS HEALTH SYSTEMS – BEDFORD MEDICAL CENTER

The City formerly owned and operated the Bedford Community Hospital. In accordance with the City Charter, the hospital facilities were leased to a nonprofit Ohio corporation known as the Community Hospital of Bedford, Inc. (the "Hospital"), effective January 1, 1979. This lease agreement, as superseded by a new lease dated August 1, 1982, and as amended and restated effective December 1, 1985, had a term of 25 years with a 25-year renewal option and provided for annual rental payments of one dollar per year.

In connection with the 1982 lease agreement and the 1985 amendments, the City issued certain debt obligations for the expansion of the Hospital facility. The lease agreement between the City and the Hospital provided for the Hospital to make payments to an independent trustee in amounts sufficient to fund the interest on this debt and the retirement of the related principal. The independent trustee was then responsible for making the principal and interest payments to the bondholders on the City's behalf.

On December 28, 1993 the City sold its financial interest in the Hospital to University Hospitals Health System, Bedford Municipal Center. The City's outstanding GO bonds were \$1,100,000, while the Hospital's outstanding bonds were in excess of \$11 million. University Hospitals, Inc. established sinking funds in escrow to defease the City's and Hospital's debt issues, thereby releasing the City of any debt obligations in regards to the Hospital operations.

C. BASIS OF PRESENTATION

The accounts of the City are maintained on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Individual funds and account groups summarized in the accompanying financial statements are classified as follows:

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account 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 general laws of Ohio.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted as to expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The measurement focus is upon determination of net income, financial position and cash flows.

INTERNAL SERVICE FUNDS

Internal Service Fund is used to account for the financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the City in a trustee or agency capacity for individuals, private organizations, other governmental units and/or other funds. Expendable Trust Funds are those in which principal and income may be expended in the course of their designated operations. Agency Funds are custodial in nature and do not involve measurement of results of operations.

ACCOUNT GROUPS

GENERAL FIXED ASSETS

All fixed assets acquired or constructed for general governmental services are accounted for in the General Fixed Assets Account Group. The cost of these assets is recorded as an expenditure in the fund providing for the expenditure and capitalized at cost in the General Fixed Assets Account Group.

GENERAL LONG-TERM OBLIGATIONS

All unmatured long-term indebtedness other than that directly related to, and expected to be paid from, Enterprise Funds is reported in the General Long-Term Obligations Account Group. This debt is secured by the full faith and credit of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City are prepared in conformity with generally accepted accounting principles prescribed in statements and interpretations issued by the Government Accounting Standards Board.

A. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. BASIS OF ACCOUNTING (CONTINUED)

All governmental and expendable trust funds are accounted for using a modified accrual basis of accounting and a current financial resources measurement focus. Under this method, revenues are recognized when they become both measurable and available while expenditures are generally recognized when the related fund liability is incurred. The modified accrual basis of accounting is also followed in the Agency Funds. Accordingly, assets and the related liabilities are recognized when the asset becomes both measurable and available.

REVENUE RECOGNITION

In applying the susceptible to accrual concept under the modified accrual basis of accounting, the following major revenue sources are deemed both measurable and available (i.e., collectible within the current period or soon enough thereafter to pay obligations of the current period): City income taxes withheld by employers, current portion of special assessment levies, interest earnings, fines and forfeitures, state-levied shared taxes and cable television franchise fees. Other revenues are recorded when received, as they are generally not measurable until actually received. Property taxes and special assessments receivables are recorded and deferred until they become available.

EXPENDITURE RECOGNITION

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

The accrual basis of accounting is followed in the Proprietary Fund Types. Accordingly, revenues are recognized when they are earned and expenses, including depreciation are recognized when they are incurred.

All Proprietary Fund Types are accounted for using the accrual method of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. The measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned. Allocations of costs, such as depreciation, are recorded in Proprietary Funds. Unbilled utility service receivables are recorded at each year end.

B. POOLED CASH AND CASH EQUIVALENTS

Cash balances of certain City funds are pooled and invested. Investments are stated at cost, which approximates market. Interest earned from investments purchased with pooled cash is allocated to certain funds based on a determination of the funds' cash available for investment. The allocation of interest earnings is governed by federal, state and local laws and regulations.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. POOLED CASH AND CASH EQUIVALENTS (CONTINUED)

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

The total interest earned during the year ended December 31, 2001 and 2000 was \$1,342,464 and \$1,231,609, respectively.

A summary of interest earned by the various fund categories at December 31, 2001 is as follows:

	<u>Amount</u>	<u>% of Total</u>
General Fund	\$ 227,340	16.93%
Special Revenue Funds	165,271	12.31
Debt Service Funds	26,123	1.95
Capital Project Funds	739,377	55.08
Expendable Trust Funds	1,780	0.13
Enterprise Funds	177,655	13.23
Internal Service	<u>4,918</u>	<u>0.37</u>
Total	\$ <u>1,342,464</u>	<u>100.00%</u>

C. INVENTORY

Inventory is valued at cost on a first-in, first-out basis. The costs of governmental fund type inventories are recorded as expenditures in the fund when purchased. The reserve for inventory indicates that a portion of the fund balances is not available for future expenditures. For proprietary funds, inventory is expended when consumed.

D. PREPAID ITEMS

Prepaid items represent payments made by the City for employee benefits and general insurance relating to 2001.

E. FIXED ASSETS

Fixed assets are generally stated on the basis of historical cost. Donated assets are stated at market value at the time of donation. Public domain (“infrastructure”) general fixed assets consisting of streets, sidewalks and storm sewers are not capitalized by the City since they are immovable and of value only to the City. Infrastructure type items such as water lines and sanitary sewers are capitalized in the respective Enterprise Funds because these assets are an integral component of these operations. Property, plant and equipment acquired by the Proprietary Funds are stated at cost or estimated historical cost, including interest capitalized during construction, where applicable.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FIXED ASSETS (CONTINUED)

Depreciation on fixed assets used in Proprietary Funds is computed and recorded by the straight-line method in the Proprietary Funds (Note 9). No depreciation on fixed assets is calculated for Governmental Funds. The fixed assets associated with Governmental Funds are recorded in the General Fixed Assets Account Group.

F. CONTRIBUTED CAPITAL

Assets constructed or acquired by the Governmental Fund Types and transferred to the Enterprise Funds, or assets partially financed through grants to the Enterprise Funds from other governmental entities, represent contributed capital to the enterprise operations. Contributed capital recorded in the accompanying financial statements is primarily from federal and state grants and general governmental revenues that were used in construction of the wastewater treatment facility.

G. COMPENSATED ABSENCES

In conformity with GASB Statement No. 16, the City accrues vacation and compensatory time benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Likewise, the City accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the pay rates in effect at December 31, 2001. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

Accumulated unpaid vacation pay is accrued when earned and is normally paid in the subsequent calendar year. In accordance with the Codified Ordinances of the City, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be a current liability. In addition, upon retirement or death of an employee, the City adds to the employees' accumulated vacation pay an additional amount based on years of service. This amount is payable to the retired employee or surviving spouse in accordance with the following schedule:

<u>Years of Service</u>	<u>Additional Weeks of Salary Paid</u>
5	3
10	4
20	5
25	6

Accumulated unpaid compensatory time is accrued when earned and can be carried over from year to year. Accordingly, all accrued compensatory time is considered to be a long-term liability and is recorded in the General Long-Term Debt Account Group.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. COMPENSATED ABSENCES (CONTINUED)

Sick leave accumulates 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 day's pay for two days accumulated sick leave, which is paid the first payday of December. Sick leave not converted in this manner will be used through time off from work, or may be converted into cash upon retirement at the rate of one day's pay for two days' accumulated sick leave. Individuals leaving the employment of the City prior to retirement lose their accumulated sick leave.

For governmental funds, the City provides a liability for unpaid accumulated sick leave for eligible employees in the period the employees become eligible to receive payment. The current portion of unpaid compensated absences including accrued vacation is the amount to be paid using expendable resources, and is reported as an accrued liability in the funds from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the General Long-Term Debt Account Group. At December 31, 2001 these amounts were \$560,050 and \$966,471, respectively.

In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences including accrued vacation is reported as a fund liability. The liability for compensated absences in the proprietary funds at December 31, 2001 was \$62,457.

H. DEBT ISSUANCE COSTS

Debt issuance costs related to the sale of the Sewer System Ohio Water Development Authority (OWDA) loan have been capitalized. These costs are being amortized over the term of the obligations based on the principal amount outstanding. The debt issuance costs related to the sale of the Sewer System Mortgage Revenue Bonds have been expensed through the depreciation account.

I. RESTRICTED ASSETS

Proceeds from debt and amounts set aside for payment of Enterprise Fund Mortgage Revenue Bonds are classified as restricted assets since their use is limited by the applicable bond indenture.

J. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES

Federal grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants for the acquisition of fixed assets of Proprietary Fund Types are recorded as intergovernmental receivables and contributed capital when the related expenses are incurred. Other federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. INTERFUND TRANSACTIONS

During the course of normal operations, interfund transactions such as subsidies of certain operations and debt service occur. Council approval must be obtained before entering into an interfund transaction.

L. ENCUMBRANCES

Encumbrances represent purchase commitments for goods or services that have not been received or provided. Encumbrance accounting is a form of budgetary control to ensure that appropriations are not exceeded. Encumbrances outstanding at year end are reported as a reservation of fund balance in the Governmental Fund Types.

M. STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

N. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the accompanying combined statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns are not intended to present financial position or results of operations in conformity with generally accepted accounting principles and are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. BUDGETARY ACCOUNTING AND CONTROL

Annual budgets are adopted for all non-fiduciary funds. The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared in the process are the tax budget, the certificate of estimated resources and the appropriation measures. These budgetary documents are subject to amendment throughout the year with the legal restrictions that appropriations cannot exceed estimated resources as certified.

P. TAX BUDGET

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. ESTIMATED RESOURCES

The county budget commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

R. APPROPRIATIONS

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31.

The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. By ordinance, the City Manager has the authority to transfer appropriations between line items within a department. Any increase in the total appropriation for a department must be approved by the City Council. In accordance with Ohio law, total expenditures from a fund cannot exceed the total appropriation for that fund. All amendments to the 2001 appropriation ordinance were approved by the City Council as provided by the City Charter.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual – All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The major differences between the budget basis and the GAAP (generally accepted accounting principles) basis are:

- (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 or encumbered (budget) as opposed to when the liability is incurred (GAAP);
- (3) Encumbrances are recorded as expenditures (budget) as opposed to a reservation of fund balance (GAAP).

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. APPROPRIATIONS (CONTINUED)

A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is shown below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses as reported GAAP basis	\$ (1,443,521)	\$ 250,666	\$ 53,402	\$ 2,410,911	\$ 1,271,458
Increase (Decrease) due to:					
Change in receivables and other assets not recognized on a budgetary basis – January 1 to December 31	(1,071,700)	(88,456)	235,698	(312,184)	(1,236,642)
Change in liabilities not recognized on a budgetary basis – January 1 to December 31	1,314,777	(47,600)	(144,446)	97,531	1,220,262
Encumbrances recognized as expenditures on a budgetary basis	<u>(275,222)</u>	<u>(648,477)</u>	<u>-</u>	<u>(10,531,105)</u>	<u>(11,454,804)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses as reported - budgetary basis	\$ <u>(1,475,666)</u>	\$ <u>(533,867)</u>	\$ <u>144,654</u>	\$ <u>(8,334,847)</u>	\$ <u>(10,199,726)</u>

S. UNAMORTIZED LOSS ON DEBT REFUNDING

This account is used to amortize the loss on the advance refunding from the Wastewater bond issues of 1986 and 1990. This loss is amortized over the loan term of 20 years as per GASB 23. See Note 11A for additional information.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. ACCOUNTING AND FINANCIAL REPORTING FOR PROPRIETARY FUNDS

Under the guidelines of Governmental Accounting Standards Board Statement 20 “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting”, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989, to proprietary activities. The adoption of this approach to accounting for proprietary activities by the City required no change from prior years.

NOTE 3 – TAXES

A. CITY INCOME TAX

The City’s income tax rate is 2.25% on the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit for taxes paid to other municipalities up to 1.50%.

B. PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years with a triennial update. Real property taxes received by the City in 1995 were based upon property values which were appraised in 1995. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable by June 20. In certain circumstances, state statute permits earlier or later payment dates to be established.

Taxpayers become liable for tangible personal property taxes (other than public utility property) on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined as of the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Since 1992, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30, if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. The majority of public utility tangible personal property currently is assessed at 35% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 3 – TAXES (CONTINUED)

B. PROPERTY TAX (CONTINUED)

The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 220,742,490
Tangible Personal	43,255,357
Public Utility	<u>11,224,870</u>
Total	\$ <u>275,222,717</u>

NOTE 4 – POOLED AND SEGREGATED CASH AND CASH EQUIVALENTS

Certain monies of the City are maintained or invested in a common group of bank accounts and in short-term cash equivalents. The common bank accounts and investments are displayed on the combined balance sheet as “Equity in Pooled Cash and Cash Equivalents” and the segregated amounts are separately disclosed. In addition, certain cash and cash equivalents and investments are classified as restricted assets since their use is limited by bond indentures (Note 11) for wastewater treatment plant improvements or debt service.

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. These statutes also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the state treasurer’s investment pool (STAR OHIO), obligations of the United States government, or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities valued at least 110% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require that security maintained for public deposits and investments be held in the City’s name.

The City complied with the provisions of these statutes for the year ended December 31, 2001. The City will continue to monitor compliance with applicable statutes in the future pertaining to public deposits and investments.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 4 – POOLED AND SEGREGATED CASH AND CASH EQUIVALENTS (CONTINUED)

A. DEPOSITS

At year-end, the carrying amount of the City's pooled and segregated deposits was \$22,961,552 and the bank balance was \$23,414,580. Of the bank balance, \$751,211 was covered by federal depository insurance and \$22,663,369 was collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

B. INVESTMENTS

The City's investments are categorized below to give an indication of the level of risk assumed as of year-end. Category 1 includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name. Category 2 includes investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

<u>Description</u>	<u>Risk Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
STAROhio	\$ -	\$ -	\$ -	\$ 1,390,261	\$ 1,390,261
Repurchase Agreements	-	-	1,443,654	1,443,654	1,443,654
U.S. Government Securities	-	1,415,802	-	1,415,802	1,415,802
FNMA	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Total Investments	\$ <u>250,000</u>	\$ <u>1,415,802</u>	\$ <u>1,443,654</u>	\$ <u>4,499,717</u>	\$ <u>4,499,717</u>

The City of Bedford has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2001. 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, 2001. The amounts invested with STAROhio are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – RECEIVABLES

The City's receivables by fund type at December 31, 2001 are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Property Taxes	\$ 2,713,753	\$ 808,382	\$ -	\$ -
City Income Taxes	2,304,340	-	-	-
Accounts	99,493	34,302	-	8,365
Special Assessments:				
Current	-	264,853	163,555	-
Deferred	-	-	1,255,278	-
Water and Wastewater				
Billings	-	-	-	-
Interest	<u>151,123</u>	<u>-</u>	<u>-</u>	<u>98,405</u>
 Total	 <u>\$ 5,268,709</u>	 <u>\$ 1,107,537</u>	 <u>\$ 1,418,833</u>	 <u>\$ 106,770</u>
			<u>Trust and Agency</u>	<u>Total</u>
Property Taxes	\$ -	\$ -	\$ 173,206	\$ 3,695,341
City Income Taxes	-	-	-	2,304,340
Accounts	-	1,613	-	143,773
Special Assessments:				
Current	56,698	-	-	485,106
Deferred	113,396	-	-	1,368,674
Water and Wastewater				
Billings	870,103	-	-	870,103
Interest	<u>5,965</u>	<u>-</u>	<u>744</u>	<u>256,237</u>
 Total	 <u>\$ 1,046,162</u>	 <u>\$ 1,613</u>	 <u>\$ 173,950</u>	 <u>\$ 9,123,574</u>

Property taxes receivable represent taxes levied in 2000 to be collected in 2001 and taxes levied prior to December 31, 2000, which are delinquent. The City does not provide an allowance for delinquent property taxes receivable as experience has indicated that such amounts are collectible. However, property taxes receivable are equally offset by deferred revenue, in line with GASB 33.

City income taxes are accrued through the tax year ended April 30, 2001 pursuant to GASB 33.

Cable franchise fees included in accounts receivable represent the amount to be received from the cable company for services provided to the residents during 2001. The franchise fee is 3% of the gross subscriber revenues.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – RECEIVABLES (CONTINUED)

Residents are billed on a monthly basis for water and wastewater treatment service. Unbilled service receivables are accrued based upon the estimated consumption for the applicable area of the City during the related period.

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments through cooperative agreements and grants receivable by fund type at December 31, 2001 are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
State	\$ 91,618	\$ 180,503	\$ 642,918	\$ 130,546
Local	<u>529,484</u>	<u>235,245</u>	<u>-</u>	<u>-</u>
Total	\$ <u>621,102</u>	\$ <u>415,748</u>	\$ <u>642,918</u>	\$ <u>130,546</u>

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2001, are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Funds:		
General Obligation Special Assessment	\$ 3,114	\$ -
Rockside Road Water	<u>-</u>	<u>3,114</u>
Total	\$ <u>3,114</u>	\$ <u>3,114</u>

NOTE 8 – MUNICIPAL COURT

The Bedford Municipal Court (the "Court") was created under Section 1901.02 of the Ohio Revised Code and has territorial jurisdiction over the City of Bedford, parts of the Cleveland Metropolitan Park District and 13 other neighboring communities. The Court is served by two judges. The Court has preliminary hearing jurisdiction in felony cases, original jurisdiction in civil cases when the amount in dispute does not exceed \$10,000, original jurisdiction in traffic and non-traffic misdemeanor cases and exclusive original jurisdiction in small claims cases.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 8 – MUNICIPAL COURT (CONTINUED)

The collection activities of the Court are accounted for in a separate Agency Fund in the accompanying financial statements. Fines and costs collected by the Court related to the City of Bedford are recorded as revenue by state statute in the General Fund. Additionally, the Metropolitan Park District and the 13 other communities are assessed for a portion of the difference between the cost of operating the Court and the court costs collected by the Court based upon the number of cases heard. The collection of these assessments by the City and the operating costs of the Court are also reflected in the General Fund. Costs and fines collected by the Court for the Metropolitan Park District, the 13 other communities, the State of Ohio and individuals are recognized as liabilities in the Municipal Court Agency Fund. To obtain a copy of the Municipal Court's Annual Report please write to:

Bedford Municipal Court
65 Columbus Road
Bedford, Ohio 44146
Attn: Clerk of Court

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

A summary of changes in general fixed assets as of December 31, 2001 follows:

	Balance January 1, 2001	Additions	Retirements	Balance December 31, 2001
Land	\$ 2,621,848	\$ 106,337	\$ -	\$ 2,728,185
Buildings	3,828,189	1,496	-	382,968
Machinery and Equipment	2,959,763	199,518	(15,781)	3,143,500
Vehicles	2,887,541	252,779	(135,787)	3,004,533
Furniture and Fixtures	487,170	10,698	-	497,868
Construction in Progress	-	1,681,090	-	1,681,090
Total	\$ <u>12,784,511</u>	\$ <u>2,251,918</u>	\$ <u>(151,568)</u>	\$ <u>14,884,861</u>

A summary of Proprietary Fund Types' property, plant and equipment at December 31, 2001 is as follows:

	Balance January 1, 2001	Additions	Retirements	Balance December 31, 2001
Land	\$ 31,233	\$ -	\$ -	\$ 31,233
Buildings/Utility Plant	5,447,589	-	-	5,447,589
Utility Lines in Service	5,693,664	15,224	-	5,708,888
Machinery and Equipment	6,360,432	37,270	(1,630)	6,396,072
Vehicles	206,400	57,595	-	263,995
Furniture and Fixtures	103,747	-	-	103,747
	17,843,065	\$ <u>110,089</u>	\$ <u>(1,630)</u>	17,951,524
Less: Accumulated Depreciation	<u>(7,447,908)</u>			<u>(7,943,553)</u>
Net Property, Plant and Equipment	\$ <u>10,395,157</u>			\$ <u>10,007,971</u>

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Depreciable lives used for property items within each property classification are as follows:

Buildings/Utility Plant	50 Years
Utility Lines in Service	75-99 Years
Machinery and Equipment	20 Years
Vehicles	10 Years
Furniture and Fixtures	10 Years

NOTE 10 – CAPITAL LEASE

The capital lease obligation recorded in the General Long-Term Debt Account Group relates to computer equipment for the Court. This agreement provides for minimum annual rental payments as follows:

<u>Year</u>	<u>Amount</u>
2002	\$ 113,985
2003	113,985
2004	2,760
2005	<u>1,150</u>
Less – Amount Representing Interest	<u>(18,572)</u>
Present Value of Minimum Lease Payments	\$ <u>213,308</u>

NOTE 11 – DEBT OBLIGATIONS

A summary of changes in the City's bonds and other long-term obligations for the year ended December 31, 2001, is as follows:

	<u>Balance January 1 2001</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2001</u>
NOTES PAYABLE:			
2.50% General Obligation Note Issue			
Purchased 12/21/00, maturing 12/19/01	\$ 5,000,000	\$ (5,000,000)	\$ -
Purchased 12/19/01, maturing 6/28/02	<u>-</u>	<u>5,000,000</u>	<u>5,000,000</u>
	\$ <u>5,000,000</u>	\$ <u>-</u>	\$ <u>5,000,000</u>

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 11 – DEBT OBLIGATIONS (CONTINUED)

	<u>Balance January 1, 2001,</u>	<u>Additions (Reductions)</u>	<u>Balance December 31, 2001</u>
LONG-TERM OBLIGATIONS:			
ENTERPRISE FUND DEBT: (<u>Water & Sewer Funds</u>)			
3.25% Wastewater System General Obligation Note Issued; Purchased 6/29/01; Maturity 6/28/02	\$ -	\$ 670,400	\$ 670,400
4.0% to 5.875% Water System General Obligation Bonds, Serves 1998, Due Through 2017	680,000	(25,000)	655,000
5.0% to 6.75% Water System Mortgage Revenue Bonds, Series 1991, Due Through 2012	1,215,000	(70,000)	1,145,000
4.60% to 6.62% 1995 Krick Road Special Assessment General Obligation Due Through 2005 (See Waste Water Fund)	190,000	(35,000)	155,000
0% Ohio Public Works Commission Loan	58,287	(4,165)	54,122
4.80% Ohio Water Development Authority Loan Due Through 2013 (See Sewer System)	<u>8,264,574</u>	<u>(470,813)</u>	<u>7,793,761</u>
Total Enterprise Fund Debt	\$ <u>10,407,861</u>	\$ <u>65,422</u>	\$ <u>10,473,283</u>

Long-Term Debt Account Group:

SPECIAL ASSESSMENT DEBT: (Special Assessment Bond Retirement Funds)

4.625% to 9.75% General Obligation/ Special Assessment Street Improvement Bonds Due Through 2015	\$ <u>980,000</u>	\$ <u>(65,000)</u>	\$ <u>915,000</u>
--	-------------------	--------------------	-------------------

GENERAL LONG-TERM OBLIGATIONS: (G.O. Bond Retirement Fund)

3.85 to 5.45% General Obligation Bonds – City Hall, Series 2001	\$ 4,895,000	\$ (165,000)	\$ 4,730,000
0% Bedford School General Obligation Manuscript Bond	200,000	(50,000)	150,000
0% Ohio Public Works Commission Issue 2 – Willard Avenue Rehabilitation General Obligation Loan	300,510	(22,260)	278,250
0% Ohio Public Works Commission Issue 2 - Wandle Avenue Rehabilitation General Obligation Loan	518,579	(25,929)	492,650

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 11 – DEBT OBLIGATIONS (CONTINUED)

	Balance January 1, 2001, <u>Restated</u>	Additions (Reductions)	Balance December 31, <u>2001</u>
OTHER LONG-TERM OBLIGATIONS:			
Capital Lease Obligation (Note 10)	309,684	(96,376)	213,308
Police Pension Liability (Note 14)	221,385	(2,918)	218,467
Accrued Compensated Absences	<u>254,183</u>	<u>712,288</u>	<u>966,471</u>
Total Long-Term Debt Account Group	\$ <u>7,679,341</u>	\$ <u>284,805</u>	\$ <u>79,641</u>

The City has pledged its full faith and credit as collateral for the general obligation bonds. The bonds are expected to be retired by the Debt Service Fund or the General Fund, if necessary. Ohio law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for twenty years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes. If such notes and renewals of such notes remain outstanding for a period in excess of five years, any such period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Furthermore, a certain portion of the principal amount of such notes must be retired in the amounts and at the times that would have been required for the payment of principal maturities on the bonds anticipated as if the bonds had been issued at the expiration of the initial five-year period.

Debt for Special Assessments are first collected from assessed taxpayers and then backed by the General Fund of the City. No reserves are established for delinquent payments.

The Series 1991 Mortgage Revenue Bonds and 1993 OWDA Loan are payable solely from, and secured by a pledge of the net revenues derived by the City from its municipal water system and wastewater collection and treatment system, respectively, certain funds established under the indentures of mortgage and a mortgage lien upon substantially all properties used in and directly converted with the generation of the utilities. Cash and cash equivalents restricted for wastewater treatment plant improvements, water system improvements, or debt service under the indenture of mortgage are presented in the combined balance sheet as restricted assets.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 11 – DEBT OBLIGATIONS (CONTINUED)

The City's future debt service requirements, including principal and interest, as of December 31, 2001 are as follows:

<u>Year Ending December 31,</u>	<u>Enterprise Obligations</u>	<u>General Obligations</u>	<u>Special Assessment</u>
2002	\$ 1,121,631	\$ 636,854	\$ 122,168
2003	1,129,050	634,503	117,936
2004	1,125,520	520,805	123,663
2005	1,120,501	471,067	118,783
2006	1,077,000	470,863	103,853
Thereafter	<u>7,672,249</u>	<u>6,219,334</u>	<u>739,586</u>
Total	\$ <u>13,245,951</u>	\$ <u>8,953,426</u>	\$ <u>1,325,989</u>

NOTE 11A – UNAMORTIZED LOSS ON ADVANCE REFUNDING

The City of Bedford advance refunded the Wastewater Bond issue in favor of a low interest loan from the Ohio Water Development Authority. Under GASB 7, the City wrote off the entire loss on the transaction of \$1,475,234. During 1995, the City implemented GASB 23 which allows the City to restate prior years and amortize the loss over the lesser of time of the new debt (OWDA loan) or twenty years instead of writing off the entire loss in the current year. Therefore, the City has restated the 1993 financial statements for the change. Significant changes relating to the implementation of GASB 23 are as follows: interest expense increased by \$73,762 in 2001, 2000, 1999, 1998, 1997, 1996, 1995 and 1994, and \$36,881 in 1993, a new balance sheet account was created entitled "Unamortized Loss on Advance Refunding" and has a balance of \$848,257 as of December 31, 2001.

NOTE 12 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains three Enterprise Funds which provide water, wastewater treatment and refuse collection and disposal services. The operations of these funds are accounted for, financed and recorded in a manner similar to that of private enterprises whereby it is the City's intent that the costs of providing these goods or services be financed primarily through user charges.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 12 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

Segment information for the Enterprise Funds is summarized as follows:

For the Year Ended			Refuse	
<u>December 31, 2001:</u>	<u>Water</u>	<u>Wastewater</u>	<u>Collection</u>	<u>Total</u>
Operating Revenues	\$ 2,951,034	\$ 2,178,848	\$ -	\$ 5,129,882
Depreciation and Amortization Expense	58,330	484,701	-	543,031
Operating Income	286,422	563,953	-	850,375
Operating Transfers	-	-	(10,024)	(10,024)
Net Income (Loss)	228,072	(150,379)	(10,024)	67,669
Acquisition and Construction of Capital Assets	15,626	94,463	-	110,089
 <u>As of December 31, 2001:</u>				
Cash Provided by Operating Activities	95,069	1,099,817	-	1,194,886
Net Working Capital	414,025	213,799	-	627,824
Total Assets	5,329,975	10,814,074	-	16,144,049
Notes/Bonds Payable from				
Operating Revenues	1,955,000	670,400	-	2,625,400
OWDA Loan Payable	-	7,793,761	-	7,793,761
OPWC Loan Payable	-	54,122	-	54,122
Total Fund Equity	3,086,623	1,946,192	-	5,032,815

NOTE 13 – CONTRIBUTED CAPITAL

A schedule of changes in contributed capital for the Enterprise Funds is presented below:

	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u> <u>Collection</u>	<u>Total</u>
Balance at Beginning of Year	\$ 92,715	\$ 1,809,335	\$ -	\$ 1,902,050
Current Year Additions	-	-	-	-
Balance at End of Year	\$ <u>92,715</u>	\$ <u>1,809,335</u>	\$ <u>-</u>	\$ <u>1,902,050</u>

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 14 – DEFINED BENEFIT PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City of Bedford contributes to the Public Employees Retirement System of Ohio (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The System issues a stand-alone financial report. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4042 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer contribution rate for local governments was 13.55 percent of covered payroll. The City’s contributions to the System for the years ended December 31, 2001, 2000 and 1999 were \$409,458, \$319,285, and \$423,628, respectively, equal to the required contributions for each year.

B. OHIO POLICE AND FIRE PENSION FUND

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City of Bedford’s contributions to OP&F for the years ending December 31, 2001, 2000 and 1999 were \$719,471, \$714,456, and \$661,587, respectively, equal to the required contributions for each year.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 15 – POSTEMPLOYMENT BENEFITS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.55 percent of covered payroll; 4.30 percent was the portion used to fund health care for the year. During 2001, the City's portion that was used to fund health care was \$190,343, representing 4.3 percent of covered payroll.

The postretirement health care coverage is advance-funded using Entry Age Normal Cost Method. The following assumptions and calculations were based on PERS's latest actuarial review performed as of December 31, 2000; an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2000 was 7.75 percent; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used – meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75 percent compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent; and health care costs are assumed to increase 4.75 percent annually. The actuarially accrued postretirement health care liability for PERS at December 31, 2000 was \$14,364,600,000. The net assets were \$11,735,900,000, leaving an unfunded actuarial accrued liability of \$2,628,700,000. The number of active participants was 411,076.

B. OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund ("OP&F") provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 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 that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. 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. The Ohio Revised Code provides the statutory authority allowing the Ohio Police and Fire Pension Fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25 percent and 7.50 percent of covered payroll in 2000 and 2001, respectively. The allocation is 7.75 percent in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

B. OHIO POLICE AND FIRE PENSION FUND (CONTINUED)

The number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund post-employment benefits were \$130,754 for police and \$118,598 for firefighters. OP&F's total health care expenses for the year ending December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 16 – FUND EQUITY DEFICITS

At December 31, 2001, the following fund had a deficit fund balance:

<u>Fund Type/Fund</u>	<u>Amount</u>
<u>Trust and Agency:</u>	
Police Pension Fund	\$ 41,681
Fire Pension Fund	47,242

The deficits were caused by the application of generally accepted accounting principles to the funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. OTHER LITIGATION

The City is a party to various legal proceedings. The City management is of the opinion that the ultimate outcome of such litigation will not result in a material adverse effect on the City's financial position.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 18 – OPERATING TRANSFERS

The City's Combined Statement of Revenue, Expenditures, and Changes in Fund Balances-Budget (Non-GAAP Budgetary Basis) and Actual – All Governmental Fund Types displays operating transfers-in and-out for the year ended December 31, 2001. A reconciliation of operating transfers, including fiduciary funds and proprietary funds not budgeted are as follows:

	<u>Operating Transfers-In</u>	<u>Operating Transfers-Out</u>
General Fund	\$ 86,135	\$ 6,756,675
Special Revenue Funds:		
Community Development Block Grant	263,327	-
Enterprise Zone	145,434	-
Recreation	895,235	-
Cemetery	94,937	-
Street Maintenance and Repair	150,432	-
Grants Fund	12,984	-
Fire Medic Levy Fund	1,112,531	-
Debt Service Funds:		
General Obligation Debt Service	471,009	17,617
Capital Project Funds:		
Viaduct Park	123,249	-
Capital Improvement	954,823	-
Turney Road	155,944	-
Wandle Avenue Rehabilitation	-	21,296
New City Hall	2,254,000	409,230
Enterprise Fund:		
Refuse	-	47,222
Internal Service Fund:		
Health Insurance	-	-
Trust Funds:		
Police Pension	290,000	-
Fire Pension	<u>242,000</u>	<u>-</u>
Totals	\$ <u>7,252,040</u>	\$ <u>7,252,040</u>

NOTE 19 – RISK MANAGEMENT

The City of Bedford is a participant in the Ohio Municipal League Joint Self-Insurance Pool (the Pool). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty insurance for its member organizations throughout the State of Ohio.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 19 – RISK MANAGEMENT (CONTINUED)

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the board of trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date, there have been no assessment or refunds, due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to participants.

The City of Bedford obtained insurance coverage from the pool for losses related to law enforcement liability, public officials errors and omissions, building and contents, property damage, general liability, inland marine, stop gap, EPP, contractor's equipment and automobile combined coverage in 2001 and 2000.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided, based on rates established by the Pool, using anticipated and actual results of operations for the various coverages provided. Participants are also charged for a "surplus contribution" that is used to build the Pool's retained earnings account to fund the activities of the Pool. During 2001, the City of Bedford made contributions and surplus contributions to the Pool in the amounts of \$98,359 and \$13,652, respectively.

In the ordinary course of business, the Pool cedes a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks.

Treaty basis casualty excess of loss contracts in force at December 31, 2001 currently generally protects the Pool against individual losses over \$100,000. From November 1, 1993 to the present, the Pool was generally reinsured for casualty losses in excess of \$200,000.

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$50,000 per location or \$100,000 per occurrence. Since November 1, 1990, the Pool is limited to an annual aggregate loss of \$300,000 (\$150,000 prior to November 1, 1990) under this treaty.

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The Pool is, and ultimately the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

CITY OF BEDFORD, OHIO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

For 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. In order to recognize the prior year balances for these previously unrecognized accounts and the change in accounting principle, the beginning of the year fund balances were restated as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Expendable Trust Funds</u>
Fund Balances, December 31, 2000	\$ 10,450,271	\$ 2,581,082	\$ 424,738	\$ 28,710
GASB 33 and 36 Adjustments:				
Due from Other Governments	378,537	243,288	-	-
Receivables	2,099,792	20,031	-	-
Deferred Revenues	<u>(2,404,549)</u>	<u>(221,309)</u>	<u>(4,917)</u>	<u>4,702</u>
Adjusted Fund Balances, December 31, 2000	\$ <u>10,524,051</u>	\$ <u>2,623,092</u>	\$ <u>419,821</u>	\$ <u>33,412</u>

As a result of the change in accounting principle, deferred revenue was also stated as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Expendable Trust Funds</u>
Deferred Revenue, December 31, 2000	\$ 1,851,200	\$ 551,429	\$ 1,390,100	\$ 118,154
GASB 33 and 36 Adjustments:				
Taxes Receivable	624,055	(21,979)	4,917	(4,702)
Due from Other Governments	<u>378,537</u>	<u>243,288</u>	<u>-</u>	<u>-</u>
Restated Deferred Revenue, December 31, 2000	\$ <u>2,853,792</u>	\$ <u>772,738</u>	\$ <u>1,395,017</u>	\$ <u>113,452</u>

CITY OF BEDFORD, OHIO

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in a separate fund.

CITY OF BEDFORD, OHIO

GENERAL FUND

COMPARATIVE BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 7,409,127	\$ 8,609,571
Receivables	5,268,709	4,927,144
Interfund Receivable	-	74,838
Due from Other Governments	621,102	578,507
Inventories, at Cost	100,230	63,075
Prepaid Items	18,664	21,792
Total Assets	<u>\$ 13,417,832</u>	<u>\$ 14,274,927</u>
<u>Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ 894,803	\$ 694,770
Interfund Payable	-	16,173
Due to Other Governments	62,203	186,141
Deferred Revenues	3,346,269	2,853,792
Total Liabilities	<u>4,303,275</u>	<u>3,750,876</u>
<u>Fund Equity</u>		
Reserve for Encumbrances	192,687	36,711
Reserve for Inventory	100,230	63,075
Reserve for Prepaid Items	18,664	21,792
Unreserved/Undesignated	8,802,976	10,402,473
Total Fund Equity	<u>9,114,557</u>	<u>10,524,051</u>
Total Liabilities and Fund Equity	<u>\$ 13,417,832</u>	<u>\$ 14,274,927</u>

CITY OF BEDFORD, OHIO

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>Revenues</u>		
Property Taxes	\$ 2,555,284	\$ 2,319,838
Municipal Income Tax	8,028,724	9,048,721
Other Local Taxes	123,776	72,614
State Levied, Shared Taxes	1,262,221	1,195,417
Intergovernmental Grants and Contracts	653,304	590,431
Charges for Services	187,144	75,006
Fees, Licenses and Permits	118,121	126,664
Fines and Forfeitures	857,636	592,902
Interest Earnings	227,340	527,364
Miscellaneous	55,610	73,978
Total Revenues	<u>14,069,160</u>	<u>14,622,935</u>
<u>Expenditures</u>		
Current:		
Security of Persons and Property	2,828,871	2,789,438
Public Health and Welfare	43,725	40,761
Leisure Time Activities	108,694	258,216
Community Development	271,831	212,996
Basic Utility Services	512,353	-
Transportation	1,262,155	1,245,393
General Government	3,383,844	3,425,932
Capital Outlay	<u>375,853</u>	<u>584,661</u>
Total Expenditures	<u>8,787,326</u>	<u>8,557,397</u>
Excess of Revenues Over (Under) Expenditures	<u>5,281,834</u>	<u>6,065,538</u>
<u>Other Financing Sources (Uses)</u>		
Proceeds from Manuscript Bonds	-	200,000
Operating Transfers – In	31,320	-
Operating Transfers – Out	<u>(6,756,675)</u>	<u>(5,897,906)</u>
Total Other Financing Sources (Uses)	<u>(6,725,355)</u>	<u>(5,697,906)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,443,521)	367,632
Fund Balances, Beginning of Year	10,524,051	10,151,714
Increase in Reserve for Inventory and Prepaid Items	<u>34,027</u>	<u>4,705</u>
Fund Balance, End of Year	\$ <u>9,114,557</u>	\$ <u>10,524,051</u>

CITY OF BEDFORD, OHIO

GENERAL FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes:			
Real Estate and Public Utility	\$ 2,193,996	\$ 2,115,490	\$ (78,506)
Tangible personal	<u>377,575</u>	<u>439,794</u>	<u>62,219</u>
Total Property Taxes	2,571,571	2,555,284	(16,287)
Municipal Income Taxes	8,168,991	7,985,497	(183,494)
Other Local Taxes	111,700	112,615	915
State Levied, Shared Taxes:			
Local Government Fund – County	718,863	723,595	4,732
Local Government Fund – State	92,500	77,740	(14,760)
Inheritance	<u>350,000</u>	<u>349,863</u>	<u>(137)</u>
Total State Levied, Shared Taxes	1,161,363	1,151,198	(10,165)
Intergovernmental Grants and Contracts			
Local	580,000	652,264	72,264
Charges for Services	206,000	209,422	3,422
Fees, Licenses and Permits:			
Fees	46,650	48,743	2,093
Licenses	5,500	5,000	(500)
Permits	<u>71,875</u>	<u>58,069</u>	<u>(13,806)</u>
Total Fees, Licenses and Permits	124,025	111,812	(12,213)
Fines and Forfeitures	913,600	875,106	(38,494)
Interest Earnings	425,000	413,245	(11,755)
Miscellaneous	<u>52,251</u>	<u>56,657</u>	<u>4,406</u>
Total Revenues	<u>14,314,501</u>	<u>14,123,100</u>	<u>(191,401)</u>

Continued

CITY OF BEDFORD, OHIO

GENERAL FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police:			
Personal Service	2,631,253	2,583,742	47,511
All Other Expenditures	<u>263,722</u>	<u>239,890</u>	<u>23,832</u>
Total Security of Persons and Property	2,894,975	2,823,632	71,343
Public Health and Welfare	43,725	43,725	-
Leisure Time Activities			
Parks and Playgrounds:			
Personal Services	16,821	1,603	15,218
All Other Expenditures	<u>235,800</u>	<u>201,360</u>	<u>34,440</u>
Total Leisure Time Activities	252,621	202,963	49,658
Community Development			
Building Services:			
Personal Services	284,622	245,411	39,211
All Other Expenditures	15,135	13,044	2,091
Planning Commissions – All Other Expenditures	3,000	2,647	353
Board Of Zoning Appeal – All Other Expenditures	<u>600</u>	<u>450</u>	<u>150</u>
Total Community Development	303,357	261,552	41,805
Basic Utility Services	512,353	512,353	-
Transportation			
Personal Services	1,284,119	1,262,476	21,643
All Other Expenditures	<u>27,053</u>	<u>20,995</u>	<u>6,058</u>
Total Transportation	1,311,172	1,283,471	27,701

Continued

CITY OF BEDFORD, OHIO

GENERAL FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government			
Clerk and council:			
Personal services	161,180	155,502	5,678
All other expenditures	45,100	40,890	4,210
Finance:			
Personal services	262,640	258,848	3,792
All other expenditures	260,615	245,485	15,130
Tax:			
Personal services	147,291	136,545	10,746
All other expenditures	118,655	111,475	7,180
City Manager:			
Personal services	223,479	215,206	8,273
All other expenditures	18,200	13,909	4,291
Law:			
Personal services	91,024	90,189	835
All other expenditures	139,500	115,479	24,021
Engineering:			
Personal services	17,135	12,913	4,222
All other expenditures	36,000	32,761	3,239
Municipal Court:			
Personal services	1,500,283	1,402,284	97,999
All other expenditures	221,682	188,502	33,180
Civil service commission – All other expenditures	8,330	5,496	2,834
Land and buildings:			
Personal services	65,295	48,653	16,642
All other expenditures	300,172	268,031	32,141
County auditors deductions – All other expenditures	<u>61,900</u>	<u>35,403</u>	<u>26,497</u>
Total General Government	3,678,481	3,377,571	300,910
Capital Outlay	<u>431,828</u>	<u>422,959</u>	<u>8,869</u>
Total Expenditures	<u>9,428,512</u>	<u>8,928,226</u>	<u>500,286</u>
Excess of Revenues Over (Under) Expenditures	4,885,989	5,194,873	308,884
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	86,135	86,135	-
Operating Transfers – Out	<u>(6,997,942)</u>	<u>(6,756,675)</u>	<u>241,267</u>
Total Other Financing Sources (Uses)	<u>(6,911,807)</u>	<u>(6,670,540)</u>	<u>241,267</u>

Continued

CITY OF BEDFORD, OHIO

GENERAL FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,025,818)	(1,475,666)	550,152
Fund Balance, Beginning of Year	<u>8,609,571</u>	<u>8,609,571</u>	<u>-</u>
Cash Fund Balance at End of Year:			
Unreserved	6,583,753	7,133,905	550,152
Reserved for Encumbrances	<u>275,222</u>	<u>275,222</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>6,858,975</u>	\$ <u>7,409,127</u>	\$ <u>550,152</u>

CITY OF BEDFORD, OHIO

SPECIAL REVENUE FUNDS

Community Development Block Grant (C.D.B.G.)

To account for monies received from the federal government passed through Cuyahoga County under Community Development Block Grant programs. The City is currently utilizing these funds to demolish the Marble Chair Building to revitalize the Bedford Downtown area. The C.D.B.G. Fund accounts for the current year grant and unspent grants from prior years.

Enterprise Zone

To account for monies collected from a contract from the City of Solon, to promote economic development of the City of Bedford.

State Highway

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of city streets and purchases of road salt.

Indigent Drivers Alcohol Program

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

To account for leisure time activity receipts and expenditures.

SEAL Narcotics Task Force

To account for monies received from the Governor's Office of Criminal Justice Services for the enforcement of drug law violations within multijurisdiction organizations.

Cemetery

To account for maintenance of gravesites of the City owned cemetery.

Enforcement and Education

To account for the additional fees levied by the Bedford Municipal Court under state law. This fund pays those costs in educating the public of laws governing operation of a motor vehicle while under the influence of alcohol, the dangers of operation of a motor vehicle while under the influence of alcohol, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

CITY OF BEDFORD, OHIO

SPECIAL REVENUE FUNDS (CONTINUED)

Street Lighting

To account for monies received from the levy of special assessments for the purpose of paying the cost of street lighting.

Street Maintenance and Repair

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

Law Enforcement Trust

To account for monies received from confiscated property and all fines from drug law violations to be used solely for drug law enforcement purposes.

Motor Vehicle License

To account for monies received from the \$5.00 license fee enacted by the Bedford Council. These fees are designated for maintenance of streets and road salt purchases.

Fire Equipment

To account for ambulance reimbursements and for funding future equipment and fire apparatus purchases.

Grants

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

Fire Medic Levy

To account for the property tax revenue collected for the paramedic services as well as firefighting services. The general fund subsidizes this fund for the additional revenue needed above property tax to sustain its purpose.

Muni Court Special Programs

To account for the receipt of specific municipal court fees and related capital outlay expenditure items.

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Community Development Block Grant</u>	<u>Enterprise Zone</u>	<u>State Highway</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 174,058	\$ 26,099	\$ 120,387
Receivables	-	-	-
Interfund Receivable	-	-	-
Due from Other Governments	90,226	-	15,649
Inventories, at Cost	-	-	-
Total Assets	\$ <u>264,284</u>	\$ <u>26,099</u>	\$ <u>136,036</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,684	\$ -
Due to Other Governments	-	47	-
Deferred Revenue	-	-	13,467
Total Liabilities	<u>-</u>	<u>6,731</u>	<u>13,467</u>
<u>Fund Equity</u>			
Reserved for Encumbrances	17,307	7,687	110,000
Reserved for Inventory	-	-	-
Unreserved/Undesignated	<u>246,977</u>	<u>11,681</u>	<u>12,569</u>
Total Fund Equity	<u>264,284</u>	<u>19,368</u>	<u>122,569</u>
Total Liabilities and Fund Equity	\$ <u>264,284</u>	\$ <u>26,099</u>	\$ <u>136,036</u>

<u>Indigent Drivers Alcohol Program</u>	<u>Recreation</u>	<u>SEAL Narcotics Task Force</u>	<u>Cemetery</u>	<u>Enforcement & Education</u>
\$ 157,127	\$ 67,225	\$ 73,570	\$ 31,154	\$ 11,408
1,005	-	-	1,355	125
-	-	-	-	-
-	-	58,869	-	-
-	43,895	-	-	-
<u>\$ 158,132</u>	<u>\$ 111,120</u>	<u>\$ 132,439</u>	<u>\$ 32,509</u>	<u>\$ 11,533</u>
\$ 1,000	\$ 56,625	\$ -	\$ 16,404	\$ -
-	1,142	-	212	-
-	-	-	-	-
<u>1,000</u>	<u>57,767</u>	<u>-</u>	<u>16,616</u>	<u>-</u>
-	4,686	-	-	1,268
-	43,895	-	-	-
<u>157,132</u>	<u>4,772</u>	<u>132,439</u>	<u>15,893</u>	<u>10,265</u>
<u>157,132</u>	<u>53,353</u>	<u>132,439</u>	<u>15,893</u>	<u>11,533</u>
<u>\$ 158,132</u>	<u>\$ 111,120</u>	<u>\$ 132,439</u>	<u>\$ 32,509</u>	<u>\$ 11,533</u>

Continued

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Street Lighting</u>	<u>Street Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 202,170	\$ 541,791	\$ 19,829
Receivables	264,853	-	-
Interfund Receivable	-	-	-
Due from Other Governments	-	193,580	-
Inventories at Cost	-	-	-
Total Assets	<u>\$ 467,023</u>	<u>\$ 735,371</u>	<u>\$ 19,829</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ -	\$ 54,313	\$ -
Due to Other Governments	-	216	-
Deferred Revenue	<u>12,002</u>	<u>166,082</u>	<u>-</u>
Total Liabilities	<u>12,002</u>	<u>220,611</u>	<u>-</u>
<u>Fund Equity</u>			
Reserved for Encumbrances	-	299,552	-
Reserved for Inventory	-	-	-
Unreserved/Undesignated	<u>455,021</u>	<u>215,208</u>	<u>19,829</u>
Total Fund Equity	<u>455,021</u>	<u>514,760</u>	<u>19,829</u>
Total Liabilities and Fund Equity	<u>\$ 467,023</u>	<u>\$ 735,371</u>	<u>\$ 19,829</u>

<u>Motor Vehicle License</u>	<u>Fire Equipment</u>	<u>Grants</u>	<u>Fire Medic Levy</u>	<u>Muni Court Special Programs</u>	<u>Totals</u>	
					<u>2001</u>	<u>2000</u>
\$ 267,125	\$ 254,590	\$ 98,133	\$ 161,214	\$ 246,565	\$ 2,452,445	\$ 2,337,835
-	22,278	-	808,382	9,539	1,107,537	1,049,059
-	-	-	-	-	-	24,718
51,509	-	5,915	-	-	415,748	361,052
-	-	-	-	-	43,895	33,547
<u>\$ 318,634</u>	<u>\$ 276,868</u>	<u>\$ 104,048</u>	<u>\$ 969,596</u>	<u>\$ 256,104</u>	<u>\$ 4,019,625</u>	<u>\$ 3,806,211</u>
\$ -	\$ 5,430	\$ -	\$ 209,696	\$ -	\$ 350,152	\$ 399,087
-	-	-	3,330	-	4,947	11,294
45,311	-	-	543,558	-	780,420	772,738
<u>45,311</u>	<u>5,430</u>	<u>-</u>	<u>756,584</u>	<u>-</u>	<u>1,135,519</u>	<u>1,183,119</u>
145,000	1,242	14,010	5,159	-	605,911	661,157
-	-	-	-	-	43,895	33,547
<u>128,323</u>	<u>270,196</u>	<u>90,038</u>	<u>207,853</u>	<u>256,104</u>	<u>2,234,300</u>	<u>1,928,388</u>
<u>273,323</u>	<u>271,438</u>	<u>104,048</u>	<u>213,012</u>	<u>256,104</u>	<u>2,884,106</u>	<u>2,623,092</u>
<u>\$ 318,634</u>	<u>\$ 276,868</u>	<u>\$ 104,048</u>	<u>\$ 969,596</u>	<u>\$ 256,104</u>	<u>\$ 4,019,625</u>	<u>\$ 3,806,211</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	Community Development <u>Block Grant</u>	Enterprise <u>Zone</u>	State <u>Highway</u>
<u>Revenues</u>			
Property Taxes	\$ -	\$ -	\$ -
State Levied, Shared Taxes	-	-	37,796
Intergovernmental Grants and Contracts	193,439	-	-
Charges for Services	-	-	-
Fees, Licenses and Permits	-	-	-
Fines and Forfeitures	-	-	-
Special Assessments	-	-	-
Interest Earnings	-	2,204	6,834
Miscellaneous	-	2,414	-
Total Revenues	<u>193,439</u>	<u>4,618</u>	<u>44,630</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Leisure Time Activities	-	-	-
Community Development	187,482	156,564	-
Basic Utility Service	-	-	-
Transportation	-	-	18,331
General Government	-	-	-
Capital Outlay	-	564	-
Total Expenditures	<u>187,482</u>	<u>157,128</u>	<u>18,331</u>
Excess of Revenues Over (Under) Expenditures	5,957	(152,510)	26,299
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>263,327</u>	<u>145,434</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	269,284	(7,076)	26,299
Fund Balances (Deficit), Beginning of Year	(5,000)	26,444	96,270
Decrease in Reserve for Inventory and Prepaid Items	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>264,284</u>	\$ <u>19,368</u>	\$ <u>122,569</u>

<u>Indigent Drivers Alcohol Program</u>	<u>Recreation</u>	<u>SEAL Narcotics Task Force</u>	<u>Cemetery</u>	<u>Enforcement & Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
22,481	-	199,290	-	1,486
286	95,399	-	47,561	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,771	10,177	-	2,085	801
-	74	103,490	-	-
<u>34,538</u>	<u>105,650</u>	<u>302,780</u>	<u>49,646</u>	<u>2,287</u>
-	-	173,929	-	945
49,107	-	-	133,785	-
-	901,773	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	161,302	64,230	6,531	-
<u>49,107</u>	<u>1,063,075</u>	<u>238,159</u>	<u>140,316</u>	<u>945</u>
(14,569)	(957,425)	64,621	(90,670)	1,342
-	895,235	-	94,937	-
(14,569)	(62,190)	64,621	4,267	1,342
171,701	105,195	67,818	11,626	10,191
-	10,348	-	-	-
<u>\$ 157,132</u>	<u>\$ 53,353</u>	<u>\$ 132,439</u>	<u>\$ 15,893</u>	<u>\$ 11,533</u>

Continued

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – SPECIAL REVENUE FUNDS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Street Lighting</u>	<u>Street Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
<u>Revenues</u>			
Property Taxes	\$ -	\$ -	\$ -
State Levied, Shared Taxes	-	374,768	-
Intergovernmental Grants and Contracts	-	-	-
Charges for Services	-	-	-
Fees, Licenses and Permits	-	-	-
Fines and Forfeitures	-	-	478
Special Assessments	233,610	-	-
Interest Earnings	12,640	41,146	1,354
Miscellaneous	-	-	-
Total Revenues	<u>246,250</u>	<u>415,914</u>	<u>1,832</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Leisure Time Activities	-	-	-
Community Development	-	-	-
Basic Utility Service	249,587	-	-
Transportation	-	438,940	-
General Government	-	-	-
Capital Outlay	-	136,871	-
Total Expenditures	<u>249,587</u>	<u>575,811</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(3,337)	(159,897)	1,832
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	<u>-</u>	<u>150,432</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,337)	(9,465)	1,832
Fund Balances (Deficit), Beginning of Year	458,358	524,225	17,997
Decrease in Reserve for Inventory and Prepaid Items	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 455,021</u>	<u>\$ 514,760</u>	<u>\$ 19,829</u>

Motor Vehicle License	Fire Equipment	Grants	Fire Medic Levy	Muni Court Special Programs	Totals	
					2001	2000
\$ -	\$ -	\$ -	\$ 764,233	\$ -	\$ 764,233	\$ 692,612
96,338	-	-	-	-	508,902	517,948
-	-	46,748	-	-	463,444	394,730
-	139,052	-	-	774	283,072	375,989
-	-	-	1,357	-	1,357	805
-	-	-	-	127,639	128,117	107,986
-	-	-	-	-	233,610	252,443
15,138	17,863	-	29,073	14,185	165,271	57,041
-	168	48,609	-	-	154,755	62,308
<u>111,476</u>	<u>157,083</u>	<u>95,357</u>	<u>794,663</u>	<u>142,598</u>	<u>2,702,761</u>	<u>2,461,862</u>
-	3,639	102,513	2,049,537	-	2,330,563	2,254,953
-	-	4,508	-	-	187,400	154,982
-	-	-	-	-	901,773	814,560
-	-	-	-	-	344,046	190,119
-	-	-	-	-	249,587	258,135
-	-	-	-	-	457,271	484,700
-	-	-	-	-	-	2,325
-	<u>227,189</u>	<u>25,218</u>	<u>34,430</u>	-	<u>656,335</u>	<u>516,698</u>
-	<u>230,828</u>	<u>132,239</u>	<u>2,083,967</u>	-	<u>5,126,975</u>	<u>4,676,472</u>
111,476	(73,745)	(36,882)	(1,289,304)	142,598	(2,424,214)	(2,214,610)
-	-	12,984	1,112,531	-	2,674,880	2,683,502
111,476	(73,745)	(23,898)	(176,773)	142,598	250,666	468,892
161,847	345,183	127,946	389,785	113,506	2,623,092	2,155,514
-	-	-	-	-	10,348	(1,314)
\$ <u>273,323</u>	\$ <u>271,438</u>	\$ <u>104,048</u>	\$ <u>213,012</u>	\$ <u>256,104</u>	\$ <u>2,884,106</u>	\$ <u>2,623,092</u>

CITY OF BEDFORD, OHIO

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ <u>337,786</u>	\$ <u>109,256</u>	\$ <u>(228,530)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>601,113</u>	<u>215,832</u>	<u>385,281</u>
Excess of Revenues Over (Under) Expenditures	(263,327)	(106,576)	156,751
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>263,327</u>	<u>263,327</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	156,751	156,751
Fund Balance, Beginning of Year	-	-	-
Reserved for Encumbrances	<u>17,307</u>	<u>17,307</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>17,307</u></u>	\$ <u><u>174,058</u></u>	\$ <u><u>156,751</u></u>

CITY OF BEDFORD, OHIO

ENTERPRISE ZONE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest Earnings	\$ 200	\$ 2,204	\$ 2,004
Miscellaneous	<u>-</u>	<u>2,414</u>	<u>2,414</u>
Total Revenues	<u>200</u>	<u>4,618</u>	<u>4,418</u>
<u>Expenditures</u>			
Current:			
Community Development	174,080	157,817	16,263
Capital Outlay	<u>1,000</u>	<u>564</u>	<u>436</u>
Total Expenditures	<u>175,080</u>	<u>158,381</u>	<u>16,699</u>
Excess of Revenues Over (Under) Expenditures	(174,880)	(153,763)	21,117
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>148,655</u>	<u>145,434</u>	<u>(3,221)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(26,225)	(8,329)	17,896
Fund Balance, Beginning of Year	26,741	26,741	-
Reserved for Encumbrances	<u>7,687</u>	<u>7,687</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>8,203</u>	\$ <u>26,099</u>	\$ <u>17,896</u>

CITY OF BEDFORD, OHIO

STATE HIGHWAY FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Levied, Shared Taxes	\$ 39,001	\$ 37,856	\$ (1,145)
Interest Earnings	<u>1,500</u>	<u>6,834</u>	<u>5,334</u>
Total Revenues	<u>40,501</u>	<u>44,690</u>	<u>4,189</u>
<u>Expenditures</u>			
Current:			
Transportation	<u>133,999</u>	<u>128,331</u>	<u>5,668</u>
Excess of Revenues Over (Under) Expenditures	(93,498)	(83,641)	9,857
Fund Balance, Beginning of Year	94,028	94,028	-
Reserved for Encumbrances	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>110,530</u>	\$ <u>120,387</u>	\$ <u>9,857</u>

CITY OF BEDFORD, OHIO

INDIGENT DRIVERS ALCOHOL PROGRAM FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 20,000	\$ 22,481	\$ 2,481
Interest Earnings	<u>4,000</u>	<u>11,771</u>	<u>7,771</u>
Total Revenues	<u>24,000</u>	<u>34,252</u>	<u>10,252</u>
<u>Expenditures</u>			
Current:			
Public Health and Welfare	<u>65,000</u>	<u>48,107</u>	<u>16,893</u>
Excess of Revenues Over (Under) Expenditures	(41,000)	(13,855)	27,145
Fund Balance, Beginning of Year	<u>170,982</u>	<u>170,982</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>129,982</u>	\$ <u>157,127</u>	\$ <u>27,145</u>

CITY OF BEDFORD, OHIO

RECREATION FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 108,050	\$ 97,333	\$ (10,717)
Interest Earnings	-	10,177	10,177
Miscellaneous	<u>649</u>	<u>74</u>	<u>(575)</u>
Total Revenues	<u>108,699</u>	<u>107,584</u>	<u>(1,115)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	-	-	-
Leisure Time Activities	930,635	897,208	33,427
Capital Outlay	<u>162,890</u>	<u>161,302</u>	<u>1,588</u>
Total Expenditures	<u>1093,525</u>	<u>1058,510</u>	<u>35,015</u>
Excess of Revenues Over (Under) Expenditures	(984,826)	(950,926)	33,900
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>916,946</u>	<u>895,235</u>	<u>(21,711)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(67,880)	(55,691)	12,189
Fund Balance, Beginning of Year	118,229	118,229	-
Reserved for Encumbrances	<u>4,687</u>	<u>4,687</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>55,036</u>	\$ <u>67,225</u>	\$ <u>12,189</u>

CITY OF BEDFORD, OHIO

SEAL NARCOTICS TASK FORCE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 389,948	\$ 198,904	\$ (191,044)
Miscellaneous	<u>118,599</u>	<u>118,599</u>	<u>-</u>
Total Revenues	<u>508,547</u>	<u>317,503</u>	<u>(191,044)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	376,146	192,600	183,546
Capital Outlay	<u>153,431</u>	<u>72,363</u>	<u>81,068</u>
Total Expenditures	<u>529,577</u>	<u>264,963</u>	<u>264,614</u>
Excess of Revenues Over (Under) Expenditures	(21,030)	52,540	73,570
Fund Balance, Beginning of Year	<u>21,030</u>	<u>21,030</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>-</u>	\$ <u>73,570</u>	\$ <u>73,570</u>

CITY OF BEDFORD, OHIO

CEMETERY FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 41,200	\$ 46,206	\$ 5,006
Interest Earnings	<u>-</u>	<u>2,085</u>	<u>2,085</u>
Total Revenues	<u>41,200</u>	<u>48,291</u>	<u>7,091</u>
<u>Expenditures</u>			
Current:			
Public Health and Welfare	144,038	132,917	11,121
Capital Outlay	<u>8,465</u>	<u>6,531</u>	<u>1,934</u>
Total Expenditures	<u>152,503</u>	<u>139,448</u>	<u>13,055</u>
Excess of Revenues Over (Under) Expenditures	(111,303)	(91,157)	20,146
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>103,568</u>	<u>94,937</u>	<u>(8,631)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,735)	3,780	11,515
Fund Balance, Beginning of Year	<u>27,374</u>	<u>27,374</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>19,639</u>	\$ <u>31,154</u>	\$ <u>11,515</u>

CITY OF BEDFORD, OHIO

ENFORCEMENT AND EDUCATION FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 2,400	\$ 1,486	\$ (914)
Interest Earnings	<u>249</u>	<u>801</u>	<u>552</u>
Total Revenues	<u>2,649</u>	<u>2,287</u>	<u>(362)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,000	785	1,215
Public Health	<u>1,500</u>	<u>1,428</u>	<u>72</u>
	<u>3,500</u>	<u>2,213</u>	<u>1,287</u>
Excess of Revenues Over (Under) Expenditures	(851)	74	925
Fund Balance, Beginning of Year	10,066	10,066	-
Reserved for Encumbrances	<u>1,268</u>	<u>1,268</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>10,483</u>	\$ <u>11,408</u>	\$ <u>925</u>

CITY OF BEDFORD, OHIO

STREET LIGHTING FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 285,000	\$ 233,610	\$ (51,390)
Interest Earnings	<u>5,000</u>	<u>12,640</u>	<u>7,640</u>
Total Revenues	<u>290,000</u>	<u>246,250</u>	<u>(43,750)</u>
<u>Expenditures</u>			
Current:			
Basic Utility	<u>290,000</u>	<u>271,506</u>	<u>18,494</u>
Excess of Revenues Over (Under) Expenditures	-	(25,256)	(25,256)
Fund Balance, Beginning of Year	<u>227,426</u>	<u>227,426</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>227,426</u>	\$ <u>202,170</u>	\$ <u>(25,256)</u>

CITY OF BEDFORD, OHIO

STREET MAINTENANCE AND REPAIR FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Levied, Shared Taxes	\$ 408,000	\$ 374,909	\$ (33,091)
Interest Earnings	<u>6,000</u>	<u>41,146</u>	<u>35,146</u>
Total Revenues	<u>414,000</u>	<u>416,055</u>	<u>2,055</u>
<u>Expenditures</u>			
Current:			
Transportation	962,843	753,915	208,928
Capital Outlay	<u>149,174</u>	<u>146,918</u>	<u>2,256</u>
Total Expenditures	<u>1112,017</u>	<u>900,833</u>	<u>211,184</u>
Excess of Revenues Over (Under) Expenditures	(698,017)	(484,778)	213,239
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>251,380</u>	<u>150,432</u>	<u>(100,948)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(446,637)	(334,346)	112,291
Fund Balance, Beginning of Year	539,450	539,450	-
Reserved for Encumbrances	<u>336,687</u>	<u>336,687</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>429,500</u>	\$ <u>541,791</u>	\$ <u>112,291</u>

CITY OF BEDFORD, OHIO

LAW ENFORCEMENT TRUST FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$ 1,500	\$ 478	\$ (1,022)
Interest Earnings	<u>450</u>	<u>1,354</u>	<u>904</u>
Total Revenues	<u>1,950</u>	<u>1,832</u>	<u>(118)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	<u>1,950</u>	<u>-</u>	<u>1,950</u>
Excess of Revenues Over (Under) Expenditures	-	1,832	1,832
Fund Balance, Beginning of Year	<u>17,997</u>	<u>17,997</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>17,997</u>	\$ <u>19,829</u>	\$ <u>1,832</u>

CITY OF BEDFORD, OHIO

MOTOR VEHICLE LICENSE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Levied, Shared Taxes	\$ 102,000	\$ 96,375	\$ (5,625)
Interest Earnings	<u>3,300</u>	<u>15,138</u>	<u>11,838</u>
Total Revenues	<u>105,300</u>	<u>111,513</u>	<u>6,213</u>
<u>Expenditures</u>			
Current:			
Transportation	<u>260,000</u>	<u>145,000</u>	<u>115,000</u>
Excess of Revenues Over (Under) Expenditures	(154,700)	(33,487)	121,213
Fund Balance, Beginning of Year	155,612	155,612	-
Reserved for Encumbrances	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>145,912</u>	\$ <u>267,125</u>	\$ <u>121,213</u>

CITY OF BEDFORD, OHIO

FIRE EQUIPMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 18,000	\$ 116,773	\$ 98,773
Interest Earnings	6,000	17,863	11,863
Miscellaneous	<u>-</u>	<u>168</u>	<u>168</u>
Total Revenues	<u>24,000</u>	<u>134,804</u>	<u>110,804</u>
<u>Expenditures</u>			
Capital Outlay	<u>271,667</u>	<u>235,988</u>	<u>35,679</u>
Excess of Revenues Over (Under) Expenditures	(247,667)	(101,184)	146,483
Fund Balance, Beginning of Year	349,102	349,102	-
Reserved for Encumbrances	<u>6,672</u>	<u>6,672</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>108,107</u>	\$ <u>254,590</u>	\$ <u>146,483</u>

CITY OF BEDFORD, OHIO

GRANTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 66,120	\$ 62,079	\$ (4,041)
Miscellaneous	<u>72,344</u>	<u>44,486</u>	<u>(27,858)</u>
Total Revenues	<u>138,464</u>	<u>106,565</u>	<u>(31,899)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	179,289	103,457	75,832
Public Health and Welfare	8,200	5,983	2,217
Capital Outlay	<u>59,151</u>	<u>36,809</u>	<u>22,342</u>
Total Expenditures	<u>246,640</u>	<u>146,249</u>	<u>100,391</u>
Excess of Revenues Over (Under) Expenditures	(108,176)	(39,684)	68,492
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>3,864</u>	<u>12,984</u>	<u>9,120</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(104,312)	(26,700)	77,612
Fund Balance, Beginning of Year	110,823	110,823	-
Reserved for Encumbrances	<u>14,010</u>	<u>14,010</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>20,521</u>	\$ <u>98,133</u>	\$ <u>77,612</u>

CITY OF BEDFORD, OHIO

FIRE MEDIC LEVY FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 760,441	\$ 764,233	\$ 3,792
Fees, Licenses and Permits	1,000	1,357	357
Interest Earnings	<u>6,000</u>	<u>29,073</u>	<u>23,073</u>
Total Revenues	<u>767,441</u>	<u>794,663</u>	<u>27,222</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,204,055	2,080,343	123,712
Capital Outlay	<u>37,186</u>	<u>35,030</u>	<u>2,156</u>
Total Expenditures	<u>2,241,241</u>	<u>2,115,373</u>	<u>125,868</u>
Excess of Revenues Over (Under) Expenditures	(1,473,800)	(1,320,710)	153,090
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>1,213,670</u>	<u>1,112,531</u>	<u>(101,139)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(260,130)	(208,179)	51,951
Fund Balance, Beginning of Year	364,234	364,234	-
Reserved for Encumbrances	<u>5,159</u>	<u>5,159</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>109,263</u>	\$ <u>161,214</u>	\$ <u>51,951</u>

CITY OF BEDFORD, OHIO

MUNI COURT SPECIAL PROGRAMS FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$ 95,000	\$ 127,639	\$ 32,639
Interest Earnings	<u>-</u>	<u>14,185</u>	<u>14,185</u>
Total Revenues	95,000	141,824	46,824
Fund Balance, Beginning of Year	<u>104,741</u>	<u>104,741</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>199,741</u>	\$ <u>246,565</u>	\$ <u>46,824</u>

CITY OF BEDFORD, OHIO

TOTAL ALL SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 760,441	\$ 764,233	\$ 3,792
State Levied, Shared Taxes	549,001	509,140	(39,861)
Intergovernmental Grants and Contracts	816,254	394,206	(422,048)
Charges for Services	167,250	260,312	93,062
Fees, Licenses and Permits	1,000	1,357	357
Fines and Forfeitures	96,500	128,117	31,617
Special Assessments	285,000	233,610	(51,390)
Interest Earnings	32,699	165,271	132,572
Miscellaneous	<u>191,592</u>	<u>165,741</u>	<u>(25,851)</u>
Total Revenues	<u>2,899,738</u>	<u>2,621,987</u>	<u>(277,750)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property	2,763,440	2,377,185	386,255
Public Health and Welfare	218,738	188,435	30,303
Leisure Time Activities	930,635	897,208	33,427
Community Development	775,193	373,649	401,544
Basic Utility	290,000	271,506	18,494
Transportation	1,356,842	1,027,246	329,596
Capital Outlay	<u>842,964</u>	<u>695,505</u>	<u>147,459</u>
Total Expenditures	<u>7,177,812</u>	<u>5,830,734</u>	<u>1,347,078</u>
Excess of Revenues Over (Under) Expenditures	(4,278,075)	(3,208,747)	1,069,328
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>2,901,410</u>	<u>2,674,880</u>	<u>(226,530)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,376,665)	(533,867)	842,798
Fund Balance, Beginning of Year	2,337,835	2,337,835	-
Reserved for Encumbrances	<u>648,477</u>	<u>648,477</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>1,609,647</u>	\$ <u>2,452,445</u>	\$ <u>842,798</u>

CITY OF BEDFORD, OHIO

DEBT SERVICE FUNDS

General Obligation Debt Service

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Rockside Road Water Special Assessment

To account for the monies received from the levy of special assessments for the purpose of paying the principal and interest on the Rockside Road Water improvement bond.

Rockside Road Sanitary Sewer Special Assessment

To account for monies received from the levy of special assessments for the purpose of paying the principal and interest on the Rockside Road Sanitary Sewer improvement bonds.

Palmetto Avenue Special Assessment

To account for the monies received from the levy of special assessments for the purpose of paying the principal and interest on the Palmetto Woods Development.

Debt Service Special Assessment

To account for monies received from the levy of special assessments for the purpose of paying the principal and interest on special assessment bonds.

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – DEBT SERVICE FUNDS

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	General Obligation Debt Service	Rockside Road Water
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 74,552	\$ -
Receivables	-	78,427
Interfund Receivable	-	-
Total Assets	\$ <u>74,552</u>	\$ <u>78,427</u>
<u>Liabilities</u>		
Due to Other Funds	\$ -	\$ 3,114
Deferred Revenue	-	64,939
Total Liabilities	-	68,053
<u>Fund Equity</u>		
Reserve for Debt Service	<u>74,552</u>	<u>10,374</u>
Total Liabilities and Fund Equity	\$ <u>74,552</u>	\$ <u>78,427</u>

Rockside Road Sanitary Sewer	Palmetto Avenue	Debt Service Special Assessment	Totals	
			2001	2000
\$ 3,119	\$ 45,468	\$ 199,439	\$ 322,578	\$ 177,924
16,336	157,175	1,166,895	1,418,833	1,545,662
-	-	3,114	3,114	111,983
<u>\$ 19,455</u>	<u>\$ 202,643</u>	<u>\$ 1,369,448</u>	<u>\$ 1,744,525</u>	<u>\$ 1,835,569</u>
\$ -	\$ -	\$ -	\$ 3,114	\$ 20,731
<u>13,863</u>	<u>116,815</u>	<u>1,072,571</u>	<u>1,268,188</u>	<u>1,395,017</u>
<u>13,863</u>	<u>116,815</u>	<u>1,072,571</u>	<u>1,271,302</u>	<u>1,415,748</u>
<u>5,592</u>	<u>85,828</u>	<u>296,877</u>	<u>473,223</u>	<u>419,821</u>
<u>\$ 19,455</u>	<u>\$ 202,643</u>	<u>\$ 1,369,448</u>	<u>\$ 1,744,525</u>	<u>\$ 1,835,569</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – DEBT SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001 **WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**

	General Obligation Debt Service	Rockside Road Water S.A.
<u>Revenues</u>		
Special Assessments	\$ -	\$ 14,828
Interest Earnings	13,893	-
Miscellaneous	-	-
Total Revenues	<u>13,893</u>	<u>14,828</u>
<u>Expenditures</u>		
Current:		
General Government	-	-
Debt Service:		
Principal Retirement	263,189	9,000
Interest and Fiscal Charges	240,107	6,412
Total Expenditures	<u>503,296</u>	<u>15,412</u>
Excess of Revenues Over (Under) Expenditures	<u>(489,403)</u>	<u>(584)</u>
<u>Other Financing Sources (Uses)</u>		
Operating Transfers – In	471,009	-
Operating Transfers – Out	<u>(4,123)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>466,886</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(22,517)	(584)
Fund Balance, Beginning of Year	<u>97,069</u>	<u>10,958</u>
Fund Balance, End of Year	\$ <u>74,552</u>	\$ <u>10,374</u>

Rockside Road Sanitary Sewer S.A.	Palmetto Avenue S.A.	Debt Service Special Assessment	Totals	
			2001	2000
\$ 1,676	\$ 84,987	\$ 88,587	\$ 190,078	\$ 119,988
-	-	12,230	26,123	5,556
-	-	108,869	108,869	-
<u>1,676</u>	<u>84,987</u>	<u>209,686</u>	<u>325,070</u>	<u>125,544</u>
-	-	108,869	108,869	-
1,000	15,000	40,000	328,189	192,260
712	7,312	46,953	301,496	375,923
<u>1,712</u>	<u>22,312</u>	<u>195,822</u>	<u>738,554</u>	<u>568,183</u>
<u>(36)</u>	<u>62,675</u>	<u>13,864</u>	<u>(413,484)</u>	<u>(442,639)</u>
-	-	-	-	-
-	-	-	471,009	464,888
-	-	-	(4,123)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>466,886</u>	<u>464,888</u>
(36)	62,675	13,864	53,402	22,249
<u>5,628</u>	<u>23,153</u>	<u>283,013</u>	<u>419,821</u>	<u>397,572</u>
\$ <u>5,592</u>	\$ <u>85,828</u>	\$ <u>296,877</u>	\$ <u>473,223</u>	\$ <u>419,821</u>

CITY OF BEDFORD, OHIO

GENERAL OBLIGATION DEBT SERVICE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest Earnings	\$ <u>1,500</u>	\$ <u>13,893</u>	\$ <u>12,393</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	263,190	263,189	1
Interest	<u>244,230</u>	<u>244,230</u>	-
Total Expenditures	<u>507,420</u>	<u>507,419</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(505,920)	(493,526)	12,394
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>476,625</u>	<u>471,009</u>	<u>(5,616)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(29,295)	(22,517)	6,778
Fund Balance, Beginning of Year	<u>97,069</u>	<u>97,069</u>	-
Fund Balance, End of Year	\$ <u>67,774</u>	\$ <u>74,552</u>	\$ <u>6,778</u>

CITY OF BEDFORD, OHIO

ROCKSIDE ROAD WATER SPECIAL ASSESSMENT FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ <u>15,413</u>	\$ <u>14,828</u>	\$ <u>(585)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	9,000	9,000	-
Interest	<u>6,412</u>	<u>6,412</u>	<u>-</u>
Total Expenditures	<u>15,412</u>	<u>15,412</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	1	(584)	(585)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	<u>(410)</u>	<u>(410)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(409)	(994)	(585)
Fund Balance, Beginning of Year	<u>994</u>	<u>994</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>585</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(585)</u></u>

CITY OF BEDFORD, OHIO

ROCKSIDE ROAD SANITARY SEWER SPECIAL ASSESSMENT FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ <u>1,713</u>	\$ <u>1,676</u>	\$ <u>(37)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,000	1,000	-
Interest	<u>712</u>	<u>712</u>	<u>-</u>
Total Expenditures	<u>1,712</u>	<u>1,712</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	1	(36)	(37)
Fund Balance, Beginning of Year	<u>3,155</u>	<u>3,155</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>3,156</u></u>	\$ <u><u>3,119</u></u>	\$ <u><u>(37)</u></u>

CITY OF BEDFORD, OHIO

PALMETTO AVENUE SPECIAL ASSESSMENT FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ <u>79,025</u>	\$ <u>84,987</u>	\$ <u>5,962</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	15,000	15,000	-
Interest	<u>7,312</u>	<u>7,312</u>	<u>-</u>
Total Expenditures	<u>22,312</u>	<u>22,312</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	56,713	62,675	5,962
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	<u>(17,207)</u>	<u>(17,207)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	39,506	45,468	5,962
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>39,506</u>	\$ <u>45,468</u>	\$ <u>5,962</u>

CITY OF BEDFORD, OHIO

DEBT SERVICE SPECIAL ASSESSMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 86,953	\$ 88,587	\$ 1,634
Interest Earnings	3,001	12,230	9,229
Miscellaneous	<u>108,869</u>	<u>108,869</u>	<u>-</u>
Total Revenues	<u>198,823</u>	<u>209,686</u>	<u>10,863</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	40,000	40,000	-
Interest	<u>46,954</u>	<u>46,953</u>	<u>1</u>
Total Expenditures	<u>86,954</u>	<u>86,953</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	111,869	122,733	10,864
Fund Balance, Beginning of Year	<u>76,706</u>	<u>76,706</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>188,575</u>	\$ <u>199,439</u>	\$ <u>10,864</u>

CITY OF BEDFORD, OHIO

TOTAL ALL DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$ 183,104	\$ 190,078	\$ 6,974
Interest Earnings	4,501	26,123	21,622
Miscellaneous	<u>108,869</u>	<u>108,869</u>	<u>-</u>
Total Revenues	<u>296,474</u>	<u>325,070</u>	<u>28,596</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	328,190	328,189	1
Interest	<u>305,620</u>	<u>305,619</u>	<u>1</u>
Total Expenditures	<u>633,810</u>	<u>633,808</u>	<u>2</u>
Excess of Revenues Over (Under) Expenditures	<u>(337,336)</u>	<u>(308,738)</u>	<u>28,598</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	476,625	471,009	(5,616)
Operating Transfers – Out	<u>(17,617)</u>	<u>(17,617)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>459,008</u>	<u>453,392</u>	<u>(5,616)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	121,672	144,654	22,982
Fund Balance, Beginning of Year	<u>177,924</u>	<u>177,924</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>299,596</u>	\$ <u>322,578</u>	\$ <u>22,982</u>

CITY OF BEDFORD, OHIO

CAPITAL PROJECTS FUNDS

Municipal Court Improvement

To account for the receipt of specific court fees and related expenditures which are restricted to the purchase of equipment and supplies.

Viaduct Park

To account for improvements to the MetroParks Historic Area called Viaduct Park. The related expenditures are restricted for signage, walkways, and the Tinkers Creek Falls overlook deck.

Northfield and Rockside Road Improvement

To account for improvements to Northfield Road. Improvements are funded by the County, the Ohio Department of Transportation and the City of Bedford.

Capital Improvement

To account for various capital improvements.

Turney Road

To account for improvements to Turney Road. Improvements are funded by the County with a 10% local share for repavement and 100% local share for sanitary sewer and water utility improvements.

Wandle Avenue Rehabilitation

To account for the rehabilitation for the improvement of Wandle Avenue.

New City Hall

To account for the construction of the new City Hall.

This Page is Intentionally Left Blank.

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – CAPITAL PROJECTS FUNDS

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	Municipal Court <u>Improvement</u>	Viaduct Park	Northfield and Rockside Road <u>Improvement</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 367,274	\$ -	\$ -
Receivables	8,365	-	-
Due from Other Funds	-	-	-
Due From Other Governments	-	188,206	-
Total Assets	\$ <u>375,639</u>	\$ <u>188,206</u>	\$ <u>-</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ -	\$ 38,270	\$ -
Debt:			
Notes Payable	-	-	-
Total Liabilities	<u>-</u>	<u>38,270</u>	<u>-</u>
<u>Fund Equity</u>			
Reserve for Encumbrances	-	-	-
Unreserved/Undesignated (Deficit)	<u>375,639</u>	<u>149,936</u>	<u>-</u>
Total Fund Equity	<u>375,639</u>	<u>149,936</u>	<u>-</u>
Total Liabilities and Fund Equity	\$ <u>375,639</u>	\$ <u>188,206</u>	\$ <u>-</u>

Capital Improvement	Turney Road	Wandle Avenue Rehabilitation	New City Hall	Totals	
				2001	2000
\$ 603,014	\$ 370,944	\$ -	\$ 11,755,611	\$ 13,096,843	\$ 10,900,585
-	-	-	98,405	106,770	218,935
-	-	-	-	-	7,640
<u>454,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>642,918</u>	<u>210,929</u>
\$ <u>1,057,726</u>	\$ <u>370,944</u>	\$ <u>-</u>	\$ <u>11,854,016</u>	\$ <u>13,846,531</u>	\$ <u>11,338,089</u>
\$ 15,110	\$ -	\$ -	\$ 437,646	\$ 491,026	\$ 393,495
-	-	-	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
<u>15,110</u>	<u>-</u>	<u>-</u>	<u>5,437,646</u>	<u>5,491,026</u>	<u>5,393,495</u>
449,463	370,944	-	9,257,942	10,078,349	1,470,693
593,153	-	-	(2,841,572)	(1,722,844)	4,473,901
<u>1,042,616</u>	<u>370,944</u>	<u>-</u>	<u>6,416,370</u>	<u>8,355,505</u>	<u>5,944,594</u>
\$ <u>1,057,726</u>	\$ <u>370,944</u>	\$ <u>-</u>	\$ <u>11,854,016</u>	\$ <u>13,846,531</u>	\$ <u>11,338,089</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	Municipal Court <u>Improvement</u>	Viaduct Park	Northfield and Rockside Road <u>Improvement</u>
<u>Revenues</u>			
Municipal Income Taxes	\$ -	\$ -	\$ -
Intergovernmental Grants and Contracts	-	188,206	-
Fines and Forfeitures	113,282	-	-
Interest Earnings	23,206	-	-
Miscellaneous	<u>82,631</u>	<u>14,940</u>	<u>1,390</u>
Total Revenues	<u>219,119</u>	<u>203,146</u>	<u>1,390</u>
<u>Expenditures</u>			
Current:			
General Government	33,462	-	-
Capital Outlay	127,833	176,459	-
Debt Service:			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>161,295</u>	<u>176,459</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>57,824</u>	<u>26,687</u>	<u>1,390</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	-	-	-
Operating Transfers – In	-	123,249	-
Operating Transfers – Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>123,249</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	57,824	149,936	1,390
Fund Balance (Deficit), Beginning of Year	<u>317,815</u>	<u>-</u>	<u>(1,390)</u>
Fund Balance (Deficit), End of Year	\$ <u>375,639</u>	\$ <u>149,936</u>	\$ <u>-</u>

Capital Improvement	Turney Road	Wandle Avenue Rehabilitation	New City Hall	Totals	
				2001	2000
\$ -	\$ -	\$ -	\$ 907,680	\$ 907,680	\$ -
1,171,744	-	-	-	1,359,950	207,327
-	-	-	-	113,282	117,197
48,635	-	-	667,536	739,377	502,399
-	-	-	73,182	172,143	84,100
<u>1,220,379</u>	<u>-</u>	<u>-</u>	<u>1,648,398</u>	<u>3,292,432</u>	<u>911,023</u>
-	-	-	-	33,462	50,066
1,570,318	-	-	1,894,149	3,768,759	2,206,675
-	-	-	228,413	228,413	6,318
<u>1,570,318</u>	<u>-</u>	<u>-</u>	<u>2,122,562</u>	<u>4,030,634</u>	<u>2,263,059</u>
<u>(349,939)</u>	<u>-</u>	<u>-</u>	<u>(474,164)</u>	<u>(738,202)</u>	<u>(1,352,036)</u>
-	-	-	87,500	87,500	2,129
954,823	155,944	-	2,258,123	3,492,139	2,358,680
-	-	(21,296)	(409,230)	(430,526)	(663,345)
<u>954,823</u>	<u>155,944</u>	<u>(21,296)</u>	<u>1,936,393</u>	<u>3,149,113</u>	<u>1,716,631</u>
604,884	155,944	(21,296)	1,462,229	2,410,911	-
<u>437,732</u>	<u>215,000</u>	<u>21,296</u>	<u>4,954,141</u>	<u>5,944,594</u>	<u>5,579,998</u>
\$ <u>1,042,616</u>	\$ <u>370,944</u>	\$ <u>-</u>	\$ <u>6,416,370</u>	\$ <u>8,355,505</u>	\$ <u>5,944,594</u>

CITY OF BEDFORD, OHIO

MUNICIPAL COURT IMPROVEMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$ 102,000	\$ 112,557	\$ 10,557
Interest Earnings	8,500	23,206	14,706
Miscellaneous	-	82,631	82,631
Total Revenues	<u>110,500</u>	<u>218,394</u>	<u>107,894</u>
<u>Expenditures</u>			
Current:			
General Government	50,000	33,462	16,538
Capital Outlay	<u>163,100</u>	<u>127,833</u>	<u>35,267</u>
Total Expenditures	<u>213,100</u>	<u>161,295</u>	<u>51,805</u>
Excess of Revenues Over (Under) Expenditures	(102,600)	57,099	159,699
Fund Balance, Beginning of Year	<u>310,175</u>	<u>310,175</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>207,575</u>	\$ <u>367,274</u>	\$ <u>159,699</u>

CITY OF BEDFORD, OHIO

VIADUCT PARK IMPROVEMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 207,420	\$ -	\$ (207,420)
Miscellaneous	<u>68,430</u>	<u>14,940</u>	<u>(53,490)</u>
Total Revenues	<u>275,850</u>	<u>14,940</u>	<u>(260,910)</u>
<u>Expenditures</u>			
Capital Outlay	<u>399,100</u>	<u>138,189</u>	<u>260,911</u>
Excess of Revenues Over (Under) Expenditures	(123,250)	(123,249)	(54,109)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>123,250</u>	<u>123,249</u>	<u>(1)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

CITY OF BEDFORD, OHIO

CAPITAL IMPROVEMENT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Grants and Contracts	\$ 1,460,000	\$ 906,665	\$ (553,335)
Interest Earnings	<u>6,000</u>	<u>48,635</u>	<u>42,635</u>
Total Revenues	<u>1,466,000</u>	<u>955,300</u>	<u>(510,700)</u>
<u>Expenditures</u>			
Capital Outlay	<u>2,823,130</u>	<u>2,260,522</u>	<u>562,608</u>
Excess of Revenues Over (Under) Expenditures	(1,357,130)	(1,305,222)	51,908
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>954,823</u>	<u>954,823</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(402,307)	(350,399)	51,908
Fund Balance, Beginning of Year	488,840	488,840	-
Reserved for Encumbrances	<u>464,573</u>	<u>464,573</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>551,106</u>	\$ <u>603,014</u>	\$ <u>51,908</u>

CITY OF BEDFORD, OHIO

TURNEY ROAD FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Expenditures</u>			
Capital Outlay	\$ <u>370,944</u>	\$ <u>370,944</u>	\$ <u>-</u>
Excess of Revenues Over (Under) Expenditures	(370,944)	(370,944)	-
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>155,944</u>	<u>155,944</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(215,000)	(215,000)	-
Fund Balance, Beginning of Year	215,000	215,000	-
Reserved for Encumbrances	<u>370,944</u>	<u>370,944</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>370,944</u></u>	\$ <u><u>370,944</u></u>	\$ <u><u>-</u></u>

CITY OF BEDFORD, OHIO

WANDLE AVENUE REHABILITATION FUND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenue</u>			
Intergovernmental Grants and Contracts	\$ 21,296	\$ 21,296	\$ -
Excess of Revenues Over (Under) Expenditures	21,296	21,296	-
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	<u>(21,296)</u>	<u>(21,296)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

CITY OF BEDFORD, OHIO

NEW CITY HALL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$ 895,000	\$ 907,680	\$ 12,680
Interest Earnings	681,955	703,966	22,011
Miscellaneous	<u>157,282</u>	<u>157,282</u>	<u>-</u>
Total Revenues	<u>1,734,237</u>	<u>1,768,928</u>	<u>34,691</u>
<u>Expenditures</u>			
Capital Outlay	12,789,951	11,297,137	1,492,814
Debt Service:			
Principal Retirement	5,000,000	5,000,000	-
Interest and Fiscal Charges	<u>230,608</u>	<u>230,608</u>	<u>-</u>
Total Expenditures	<u>18,020,559</u>	<u>16,527,745</u>	<u>1,492,814</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,286,322)</u>	<u>(14,758,817)</u>	<u>1,527,505</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds From Sale of Notes	5,087,500	5,087,500	-
Operating Transfers – In	2,254,000	2,254,000	-
Operating Transfers – Out	<u>(409,230)</u>	<u>(409,230)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>6,932,270</u>	<u>6,932,270</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(9,354,052)</u>	<u>(7,826,547)</u>	<u>1,527,505</u>
Fund Balance, Beginning of Year	9,886,570	9,886,570	-
Reserved for Encumbrances	<u>9,695,588</u>	<u>9,695,588</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>10,228,106</u>	\$ <u>11,755,611</u>	\$ <u>1,527,505</u>

CITY OF BEDFORD, OHIO

TOTAL ALL CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$ 895,000	\$ 907,680	\$ 12,680
Intergovernmental Grants and Contracts	1,688,716	927,961	(760,755)
Fines and Forfeitures	102,000	112,557	10,557
Interest Earnings	696,455	775,807	79,352
Miscellaneous	<u>225,712</u>	<u>254,853</u>	<u>29,141</u>
Total Revenues	<u>3,607,883</u>	<u>2,978,858</u>	<u>(629,025)</u>
<u>Expenditures</u>			
Current:			
General Government	50,000	33,462	16,538
Capital Outlay	16,546,225	14,194,625	2,351,600
Debt Service:			
Principal Retirement	5,000,000	5,000,000	-
Interest and Fiscal Charges	<u>230,608</u>	<u>230,608</u>	<u>-</u>
Total Expenditures	<u>21,826,833</u>	<u>19,458,695</u>	<u>2,368,138</u>
Excess of Revenues Over (Under) Expenditures	<u>(18,218,950)</u>	<u>(16,479,837)</u>	<u>1,739,113</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds From Sale of Notes	5,087,500	5,087,500	-
Operating Transfers – In	3,488,017	3,488,016	(1)
Operating Transfers – Out	<u>(430,526)</u>	<u>(430,526)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,144,991</u>	<u>8,144,990</u>	<u>(1)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(10,073,959)</u>	<u>(8,334,847)</u>	<u>1,739,112</u>
Fund Balance, Beginning of Year	10,900,585	10,900,585	-
Reserved for Encumbrances	<u>10,531,105</u>	<u>10,531,105</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>11,357,731</u>	\$ <u>13,096,843</u>	\$ <u>1,739,112</u>

CITY OF BEDFORD, OHIO

ENTERPRISE FUNDS

Water

To account for the monies received from the water billings and the cost of furnishing water services.

Wastewater

To account for the monies received from the sewer billings and the cost of furnishing sewer services.

Refuse

To account for the monies received from the refuse billings and the cost of furnishing refuse services.

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – ENTERPRISE FUNDS

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Assets</u>					
Equity in Pooled Cash and					
Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 47,222
Accounts Receivable	667,534	378,628	-	1,046,162	1,095,229
Interfund Receivable	-	-	-	-	19,878
Due From Other Governments	-	130,546	-	130,546	29,808
Inventories, at Cost	34,843	54,224	-	89,067	89,190
Unamortized Debt Issuance Cost	167,881	137,934	-	305,815	333,323
Unamortized Loss on Debt					
Refunding	-	848,257	-	848,257	922,019
Restricted Assets:					
Cash and Cash Equivalents	1,721,014	1,833,647	-	3,554,661	3,261,265
Investments	161,570	-	-	161,570	162,318
Fixed Assets – Net of Accumulated					
Depreciation	<u>2,577,133</u>	<u>7,430,838</u>	<u>-</u>	<u>10,007,971</u>	<u>10,395,157</u>
Total Assets	\$ <u>5,329,975</u>	\$ <u>10,814,074</u>	\$ <u>-</u>	\$ <u>16,144,049</u>	\$ <u>16,355,409</u>
<u>Liabilities</u>					
Accounts Payable and Accrued					
Liabilities	\$ 174,281	\$ 348,611	\$ -	\$ 522,892	\$ 690,267
Due to Other Funds	-	-	-	-	128,747
Due to Other Governments	675	988	-	1,663	3,925
Deferred Revenue	113,396	-	-	113,396	159,463
Debt:					
General Obligation Bonds Payable	655,000	-	-	655,000	680,000
Notes Payable	-	670,400	-	670,400	-
Mortgage Revenue Bonds					
Payable	1,145,000	-	-	1,145,000	1,215,000
Special Assessment Bonds					
Payable With Governmental					
Commitment	155,000	-	-	155,000	190,000
OWDA Loan Payable	-	7,793,761	-	7,793,761	8,264,574
OPWC Loan Payable	-	<u>54,122</u>	-	<u>54,122</u>	<u>58,287</u>
Total Liabilities	<u>2,243,352</u>	<u>8,867,882</u>	<u>-</u>	<u>11,111,234</u>	<u>11,390,263</u>
<u>Fund Equity</u>					
Retained Earnings	2,993,908	136,857	-	3,130,765	3,063,096
Contributed Capital	<u>92,715</u>	<u>1,809,335</u>	<u>-</u>	<u>1,902,050</u>	<u>1,902,050</u>
Total Fund Equity	<u>3,086,623</u>	<u>1,946,192</u>	<u>-</u>	<u>5,032,815</u>	<u>4,965,146</u>
Total Liabilities and Fund					
Equity	\$ <u>5,329,975</u>	\$ <u>10,814,074</u>	\$ <u>-</u>	\$ <u>16,144,049</u>	\$ <u>16,355,409</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>					
Charges for Services	\$ 2,838,419	\$ 2,025,697	\$ -	\$ 4,864,116	\$ 4,715,906
Other Operating Revenues	<u>112,615</u>	<u>153,151</u>	<u>-</u>	<u>265,766</u>	<u>47,411</u>
Total Operating Revenues	<u>2,951,034</u>	<u>2,178,848</u>	<u>-</u>	<u>5,129,882</u>	<u>4,763,317</u>
<u>Operating Expenses</u>					
Personal Services	296,154	592,371	-	888,525	967,519
Contractual Services	2,067,798	187,069	-	2,254,867	2,616,286
Materials and Supplies	33,958	94,611	-	128,569	138,971
Benefit Payments	146,475	209,015	-	355,490	130,746
Depreciation and Amortization	58,330	484,701	-	543,031	467,147
Other Operating Expenses	<u>61,897</u>	<u>47,128</u>	<u>-</u>	<u>109,025</u>	<u>66,775</u>
Total Operating Expenses	<u>2,664,612</u>	<u>1,614,895</u>	<u>-</u>	<u>4,279,507</u>	<u>4,387,444</u>
Operating Income	<u>286,422</u>	<u>563,953</u>	<u>-</u>	<u>850,375</u>	<u>375,873</u>
<u>Non-Operating Income (Expenses)</u>					
Interest Expense	(125,042)	(453,579)	-	(578,621)	(627,978)
Interest Income	82,022	95,633	-	177,655	134,856
Other Non-Operating Expenses	(15,330)	(488,507)	-	(503,837)	(120,206)
Other Non-Operating Income	<u>-</u>	<u>132,121</u>	<u>-</u>	<u>132,121</u>	<u>60,769</u>
Total Non-Operating Income (Expenses)	<u>(58,350)</u>	<u>(714,332)</u>	<u>-</u>	<u>(772,682)</u>	<u>(552,559)</u>
Income (Loss) Before Operating Transfers	228,072	(150,379)	-	77,693	(176,686)
Operating Transfers	<u>-</u>	<u>-</u>	<u>(10,024)</u>	<u>(10,024)</u>	<u>479,964</u>
Net Income (Loss)	228,072	(150,379)	(10,024)	67,669	303,278
Retained Earnings, Beginning of Year	<u>2,765,836</u>	<u>287,236</u>	<u>10,024</u>	<u>3,063,096</u>	<u>2,759,818</u>
Retained Earnings, End of Year	\$ <u>2,993,908</u>	\$ <u>136,857</u>	\$ <u>-</u>	\$ <u>3,130,765</u>	\$ <u>3,063,096</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Cash Flows From Operating Activities</u>					
Cash Received from Public	\$ 2,841,753	\$ 2,031,347	\$ -	\$ 4,873,100	\$ 4,679,434
Cash Received from Income Tax Collections	89,143	133,625	-	222,768	-
Cash Payments to Suppliers for Goods And Services	(2,431,249)	(321,276)	-	(2,752,525)	(2,834,466)
Cash Payments to Employees for Services	(313,669)	(597,155)	-	(910,824)	(870,881)
Cash Payments to Employee Benefits	(95,156)	(166,691)	-	(261,847)	(237,505)
Other Operating Revenues	4,247	19,967	-	24,214	3,006
Other Operating Expenses	-	-	-	-	(47,927)
Net Cash Flows Provided by Operating Activities	<u>95,069</u>	<u>1,099,817</u>	<u>-</u>	<u>1,194,886</u>	<u>691,661</u>
<u>Cash Flows From Noncapital Financing Activities</u>					
Operating Grants Received	-	-	-	-	43,677
Operating Transfers – Out/In From Other Funds	-	-	(47,222)	(47,222)	479,964
Net Cash Flows Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(47,222)</u>	<u>(47,222)</u>	<u>523,641</u>
<u>Cash Flows From Capital and Related Financing Activities</u>					
Acquisition and Construction Of Capital Assets	(21,711)	(648,676)	-	(670,387)	(38,335)
Proceeds from Sale of Bonds	-	671,975	-	671,975	-
Principal Paid on Bond Maturities	(130,000)	-	-	(130,000)	(125,000)
Principal Paid on OWDA Loans	-	(474,977)	-	(474,977)	(449,003)
Principal Paid on Ohio Public Works Commission Loan	-	-	-	-	(4,163)
Interest Paid on Bonds	(127,746)	-	-	(127,746)	(114,643)
Proceeds from Assessments	16,393	-	-	16,393	-
Proceeds from OWDA Loan	-	29,808	-	29,808	-
Interest Paid on OWDA Loans	-	(391,117)	-	(391,117)	(432,806)
Bond Issue Costs	-	(250)	-	(250)	-
Net Cash Used in Capital Related Financing Activities	<u>(263,064)</u>	<u>(813,237)</u>	<u>-</u>	<u>(1,076,301)</u>	<u>(1,163,950)</u>

Continued

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Cash Flows From Investing Activities</u>					
Interest and Dividends on Investments	<u>82,483</u>	<u>91,580</u>	<u>-</u>	<u>174,063</u>	<u>132,941</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(85,512)	378,160	(47,222)	245,426	184,293
Cash and Cash Equivalents, Beginning of Year	<u>1,968,096</u>	<u>1,455,487</u>	<u>47,222</u>	<u>3,470,805</u>	<u>3,286,512</u>
Cash and Cash Equivalents, End of Year	\$ <u>1,882,584</u>	\$ <u>1,833,647</u>	\$ <u>-</u>	\$ <u>3,716,231</u>	\$ <u>3,470,805</u>
<u>Reconciliation of Operating Income (Loss) To Net Cash From Operating Activities</u>					
Operating Income	\$ 286,422	\$ 563,953	\$ -	\$ 850,375	\$ 375,873
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	58,330	484,701	-	543,031	467,147
Changes in Assets and Liabilities:					
Change in Receivables	47,028	2,039	-	49,067	4,383
Change in Interfund Receivable	-	-	-	-	(19,878)
Change in Due From Other Governments	-	-	-	-	(29,808)
Change in Inventories	3,217	(3,094)	-	123	(15,975)
Change in Accounts Payable and Accrued Expenses	(299,928)	52,218	-	(247,710)	(9,572)
Change in Interfund Payable	-	-	-	-	(89,916)
Change in Due From Other Governments	-	-	-	-	<u>9,407</u>
Cash Provided by Operating Activities	\$ <u>95,069</u>	\$ <u>1,099,817</u>	\$ <u>-</u>	\$ <u>1,194,886</u>	\$ <u>691,661</u>

CITY OF BEDFORD, OHIO

INTERNAL SERVICE FUND

Hospitalization Fund

To account for COBRA revenues and medical, dental, and vision claims, as well as prescription costs and reinsurance coverage for various departments within the City.

CITY OF BEDFORD, OHIO

BALANCE SHEET – HOSPITALIZATION INTERNAL SERVICE FUND

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 133,232	\$ 44,022
Receivables	<u>1,613</u>	<u>1,613</u>
Total Assets	\$ <u><u>134,845</u></u>	\$ <u><u>45,635</u></u>
 <u>Liabilities</u>		
Accounts Payable and Accrued Liabilities	\$ <u>97,165</u>	\$ <u>103,117</u>
 <u>Fund Equity</u>		
Retained Earnings (Deficit)	<u>37,680</u>	<u>(57,482)</u>
 Total Liabilities and Fund Equity	\$ <u><u>134,845</u></u>	\$ <u><u>45,635</u></u>

CITY OF BEDFORD, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – HOSPITALIZATION INTERNAL SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Totals</u>	
	<u>2001</u>	<u>2000</u>
<u>Operating Revenues</u>		
Charges for Services	\$ <u>1,374,746</u>	\$ <u>1,195,533</u>
<u>Operating Expenses</u>		
Claims	<u>1,284,502</u>	<u>1,343,677</u>
Operating Income (Loss)	90,244	(148,144)
<u>Non-Operating Income (Expenses)</u>		
Interest Income	<u>4,918</u>	<u>2,162</u>
Income (Loss) Before Operating Transfers	95,162	(145,982)
Operating Transfers – In	<u>-</u>	<u>29,032</u>
Net Income (Loss)	95,162	(116,950)
Retained Earnings (Deficit), Beginning of Year	<u>(57,482)</u>	<u>59,468</u>
Retained Earnings (Deficit), End of Year	\$ <u><u>37,680</u></u>	\$ <u><u>(57,482)</u></u>

CITY OF BEDFORD, OHIO

TRUST AND AGENCY FUNDS

Cemetery Trust

To account for endowment receipts and expenditures associated with maintaining gravesites.

Police Pension Trust

To account for property taxes levied for the partial payment of the current and accrued liability for police disability and pension due the State pension agency.

Fire Pension Trust

To account for property taxed levied for the partial payment of the current and accrued liability for fire disability and pension due the State pension agency.

Municipal Court Agency

To account for assets received and disbursed by the Bedford Municipal Court pursuant to the laws of the State of Ohio.

State Inspection Fee

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

CITY OF BEDFORD, OHIO

COMBINING BALANCE SHEET – TRUST AND AGENCY FUNDS

DECEMBER 31, 2001

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>Cemetery Trust</u>	<u>Police Pension</u>	<u>Fire Pension</u>
<u>Assets</u>			
Segregated Cash and Cash Equivalents	\$ 40,660	\$ 91,370	\$ 92,886
Receivables	744	86,603	86,603
Interfund Receivable	-	-	-
Total Assets	\$ <u>41,404</u>	\$ <u>177,973</u>	\$ <u>179,489</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Liabilities	\$ -	\$ 161,422	\$ 168,499
Interfund Payable	-	-	-
Due to Other Governments	-	-	-
Amount Held as Fiduciary	-	-	-
Deferred Revenue	-	58,232	58,232
Total Liabilities	<u>-</u>	<u>219,654</u>	<u>22,673</u>
<u>Fund Equity</u>			
Unreserved/Undesignated (Deficit)	<u>41,404</u>	<u>(41,681)</u>	<u>(47,242)</u>
Total Liabilities and Fund Equity	\$ <u>41,404</u>	\$ <u>177,973</u>	\$ <u>179,489</u>

Municipal Court	State Inspection Fee	Totals	
		2001	2000
\$ 105,848	\$ 51	\$ 330,815	\$ 577,761
-	-	173,950	170,215
-	-	-	1,064
<u>\$ 105,848</u>	<u>\$ 51</u>	<u>\$ 504,765</u>	<u>\$ 749,040</u>
\$ -	\$ -	\$ 329,921	\$ 265,475
-	-	-	74,470
-	51	51	65,619
105,848	-	105,848	196,612
-	-	116,464	113,452
<u>105,848</u>	<u>51</u>	<u>552,284</u>	<u>715,628</u>
-	-	(47,519)	33,412
<u>\$ 105,848</u>	<u>\$ 51</u>	<u>\$ 504,765</u>	<u>\$ 749,040</u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – EXPENDABLE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Cemetery Trust</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
<u>Revenues</u>					
Property Taxes	\$ -	\$ 81,882	\$ 81,882	\$ 163,764	\$ 148,416
Interest Earnings	1,780	-	-	1,780	2,231
Miscellaneous	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Total Revenues	<u>1,830</u>	<u>81,882</u>	<u>81,882</u>	<u>165,594</u>	<u>150,697</u>
<u>Expenditures</u>					
Security of Persons and Property	-	344,465	433,060	777,525	780,430
Public Health	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
	<u>1,000</u>	<u>344,465</u>	<u>433,060</u>	<u>778,525</u>	<u>780,430</u>
Excess of Revenues Over (Under) Expenditures	830	(262,583)	(351,178)	(612,931)	(629,733)
<u>Other Financing Sources (Uses)</u>					
Operating Transfers – In	<u>-</u>	<u>290,000</u>	<u>242,000</u>	<u>532,000</u>	<u>545,185</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	830	27,417	(109,178)	(80,931)	(84,548)
Fund Balance (Deficit), Beginning of Year	<u>40,574</u>	<u>(69,098)</u>	<u>61,936</u>	<u>33,412</u>	<u>117,960</u>
Fund Balance (Deficit), End of Year	\$ <u><u>41,404</u></u>	\$ <u><u>(41,681)</u></u>	\$ <u><u>(47,242)</u></u>	\$ <u><u>(47,519)</u></u>	\$ <u><u>33,412</u></u>

CITY OF BEDFORD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2001</u>
<u>MUNICIPAL COURT</u>				
<u>Assets</u>				
Segregated Cash and Cash				
Equivalents	\$ <u>336,666</u>	\$ <u>3,525,185</u>	\$ <u>3,756,003</u>	\$ <u>105,848</u>
Total Assets	\$ <u>336,666</u>	\$ <u>3,525,185</u>	\$ <u>3,756,003</u>	\$ <u>105,848</u>
<u>Liabilities</u>				
Interfund Payable	\$ 74,470	\$ 1,112,220	\$ 1,186,690	\$ -
Due to Other Governments	65,584	1,008,427	1,074,011	-
Amount Held as Fiduciary	<u>196,612</u>	<u>1,404,538</u>	<u>1,495,302</u>	<u>105,848</u>
Total Liabilities	\$ <u>336,666</u>	\$ <u>3,525,185</u>	\$ <u>3,756,003</u>	\$ <u>105,848</u>
<u>STATE INSPECTION FEE</u>				
<u>Assets</u>				
Segregated Cash and Cash				
Equivalents	\$ <u>35</u>	\$ <u>636</u>	\$ <u>620</u>	\$ <u>51</u>
Total Assets	\$ <u>35</u>	\$ <u>636</u>	\$ <u>620</u>	\$ <u>51</u>
<u>Liabilities</u>				
Due to Other Governments	\$ <u>35</u>	\$ <u>636</u>	\$ <u>620</u>	\$ <u>51</u>
Total Liabilities	\$ <u>35</u>	\$ <u>636</u>	\$ <u>620</u>	\$ <u>51</u>
<u>TOTAL – ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Segregated Cash and Cash				
Equivalents	\$ <u>336,701</u>	\$ <u>3,525,821</u>	\$ <u>3,756,623</u>	\$ <u>105,899</u>
Total Assets	\$ <u>336,701</u>	\$ <u>3,525,821</u>	\$ <u>3,756,623</u>	\$ <u>105,899</u>
<u>Liabilities</u>				
Interfund Payable	\$ 74,470	\$ 1,112,220	\$ 1,186,690	\$ -
Due to Other Governments	65,619	1,009,063	1,074,631	51
Amounts Held as Fiduciary	<u>196,612</u>	<u>1,404,538</u>	<u>1,495,302</u>	<u>105,848</u>
Total Liabilities	\$ <u>336,701</u>	\$ <u>3,525,821</u>	\$ <u>3,756,623</u>	\$ <u>105,899</u>

CITY OF BEDFORD, OHIO

GENERAL FIXED ASSET ACCOUNT GROUP

The General Fixed Asset Account Group accounts for all general fixed assets of the City, except those accounted for in the Proprietary Funds.

CITY OF BEDFORD, OHIO

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

AS OF DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 2,728,185	\$ 2,621,848
Buildings	3,829,685	3,828,189
Machinery and Equipment	3,143,500	2,959,763
Vehicles	3,004,533	2,887,541
Furniture and Fixtures	497,868	487,170
Construction in Progress	<u>1,681,090</u>	<u>-</u>
Total General Fixed Assets	<u>\$ 14,884,861</u>	<u>\$ 12,784,511</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE</u>		
General Fund Revenues	\$ 7,057,539	\$ 6,911,474
Special Revenue Funds Revenue	5,025,210	4,779,794
Capital Project Funds	<u>2,802,112</u>	<u>1,093,243</u>
Total Investment in General Fixed Assets by Source	<u>\$ 14,884,861</u>	<u>\$ 12,784,511</u>

CITY OF BEDFORD, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Function and Activity</u>	<u>General Fixed Assets January 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets December 31, 2001</u>
Security of Persons and Property:				
Police Administration	\$ 836,270	\$ 174,895	\$ 13,590	\$ 997,575
Fire Administration	<u>1,606,740</u>	<u>47,468</u>	<u>46,400</u>	<u>1,607,808</u>
Total Security of Persons and Property	<u>2,443,010</u>	<u>222,363</u>	<u>59,990</u>	<u>2,605,383</u>
Public Health:				
Cemetery Maintenance	<u>41,566</u>	<u>-</u>	<u>-</u>	<u>41,566</u>
Leisure Time Activities:				
Parks and Recreation	<u>2,370,636</u>	<u>130,304</u>	<u>13,679</u>	<u>2,487,261</u>
Community Development:				
Building Services	56,117	1,487	12,480	45,124
Economic Development	<u>4,073</u>	<u>-</u>	<u>-</u>	<u>4,073</u>
Total Community Development	<u>60,190</u>	<u>1,487</u>	<u>12,480</u>	<u>49,197</u>
Transportation:				
Services Administration and Street Maintenance	<u>2,417,312</u>	<u>134,108</u>	<u>31,130</u>	<u>2,520,290</u>
General Government:				
Clerk and Council	18,154	-	-	18,154
Finance/Tax Administration	185,300	45,550	15,781	215,069
Municipal Court	1,422,478	4,810	-	1,427,288
City Manager	30,624	660	18,508	12,776
Land and Buildings	<u>3,795,241</u>	<u>31,546</u>	<u>-</u>	<u>3,826</u>
Total General Government	<u>5,451,797</u>	<u>82,566</u>	<u>34,289</u>	<u>5,500</u>
Construction in Progress	-	1,681,090	-	1,681,090
Total General Fixed Assets	\$ <u>12,784,511</u>	\$ <u>2,251,918</u>	\$ <u>151,568</u>	\$ <u>14,884,861</u>

CITY OF BEDFORD, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

DECEMBER 31, 2001

	<u>Land</u>	<u>Buildings</u>	<u>Machinery And Equipment</u>	<u>Vehicles</u>	<u>Furniture And Fixtures</u>	<u>Total</u>
<u>Function and Activity</u>						
Security of Persons and Property:						
Police Administration	\$ -	\$ 26,945	\$ 479,076	\$ 463,863	\$ 27,691	\$ 997,575
Fire Administration	-	68,724	302,625	1,198,386	38,073	1,607,808
Total Security of Persons and Property	-	95,669	781,701	1,662,249	65,764	2,605,383
Public Health:						
Cemetery Maintenance	-	-	39,968	-	1,598	41,566
Leisure Time Activities:						
Parks and Recreation	635,667	976,097	532,222	247,109	96,166	2,487,261
Community Development:						
Building Services	-	-	18,989	13,642	12,493	45,124
Economic Development	-	-	4,073	-	-	4,073
Total Community Development	-	-	23,062	13,642	12,493	49,197
Transportation:						
Services Administration and Street Maintenance	8,061	588,647	731,862	1,063,025	128,695	2,520,290
General Government:						
Clerk and Council	-	-	8,788	-	9,366	18,154
Finance/Tax Administration	-	-	175,345	-	39,724	215,069
Municipal Court	-	607,451	701,165	-	118,672	1,427,288
City Manager	-	-	3,097	-	9,679	12,776
Land and Buildings	2,084,457	1,561,821	146,290	18,508	15,711	3,826,787
Total General Government	2,084,457	2,169,272	1,034,685	18,508	193,152	5,500,074
Construction in Progress	-	1,681,090	-	-	-	1,681,090
Total General Fixed Assets	\$ 2,728,185	\$ 5,510,775	\$ 3,143,500	\$ 3,004,533	\$ 497,868	\$ 14,884,861

CITY OF BEDFORD, OHIO

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS (2)

TABLE 1

Year	Taxes (3)	Inter-Governmental	Charges For Services	Fees Licenses And Permits	Fines And Forfeitures	Interest Revenues	Other Revenue		Total
							Revenue	Total	
1992	\$ 8,278,984	\$ 878,007	\$ 583,820	\$ 181,660	\$ 644,450	\$ 166,489	\$ 680,720	\$ 11,414,130	
1993	8,249,115	1,329,892	500,782	54,304	956,517	236,957	719,414	12,046,981	
1994	8,970,787	1,079,954	448,240	65,607	752,580	397,256	474,788	12,189,212	
1995	10,564,628	765,689	431,027	102,639	952,502	600,364	454,948	13,871,797	
1996	10,751,694	1,088,484	352,527	86,883	796,980	562,706	556,830	14,196,104	
1997	11,137,575	779,666	371,513	90,057	928,764	577,087	452,884	14,337,546	
1998	12,461,443	1,021,359	432,307	89,822	971,021	573,467	532,755	16,082,174	
1999	12,809,256	992,445	443,085	137,676	1,058,403	696,567	813,867	16,951,299	
2000	13,995,566	1,192,488	450,995	127,469	818,085	1,094,591	592,867	18,272,061	
2001	14,351,392	2,476,698	470,216	119,478	1,159,891	1,099,035	915,115	20,591,825	

(1) Includes All Governmental Fund Types and Expendable Trust Funds

(2) All Years Were Determined in Accordance with Generally Accepted Accounting Principles

(3) Includes Property, Income, State-Levied Shared, and Other Local Taxes

SOURCE: City of Bedford, Finance Department

CITY OF BEDFORD, OHIO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS (2)

TABLE 2

Fiscal Year	Security of Persons And Property	Public Health	Leisure Time Activities	Community Environment	Basic Utility Services	Transportation	General Government	Capital Outlay And Debt Service	Total
1992	\$ 3,585,254	\$ 139,138	\$ 797,766	\$ 159,050	\$ 270,434	\$ 1,354,733	\$ 2,551,720	\$ 1,492,373	\$ 10,350,468
1993	3,764,723	146,703	789,681	272,428	267,365	1,411,205	2,512,197	2,295,179	11,459,481
1994	4,023,828	144,968	845,997	192,043	266,133	1,435,693	2,830,431	2,719,078	12,458,171
1995	4,539,935	156,613	899,637	223,072	267,811	1,691,032	2,827,048	3,518,172	14,123,320
1996	4,720,095	152,745	895,481	352,100	269,286	1,647,163	2,714,820	2,677,077	13,428,767
1997	5,007,669	159,606	939,397	212,156	269,635	1,601,997	2,863,973	1,822,755	12,877,188
1998	5,153,393	163,662	951,743	269,188	270,861	1,524,296	2,968,997	2,602,904	13,905,044
1999	5,235,581	189,367	1,003,178	279,060	271,079	1,750,178	3,290,867	3,190,558	15,209,868
2000	5,824,821	195,743	1,072,776	403,115	258,135	1,730,093	3,478,323	3,882,535	16,845,541
2001	5,936,959	232,125	1,010,467	615,877	761,940	1,719,426	3,526,175	5,659,045	19,462,014

(1) Includes All Governmental Fund Types and Expendable Trust Funds

(2) All Amounts Were Determined in Accordance With Generally Accepted Accounting Principles

SOURCE: City of Bedford, Finance Department

CITY OF BEDFORD, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

TABLE 3

Tax Year	Collection Year	Real Property		Tangible Personal Property Assessed Value	Public Utilities Property Assessed Value	Total Assessed Value
		Estimated Value	Assessed Value			
1992	1993	\$ 454,181,600	\$ 158,963,560	\$ 28,866,749	\$ 15,326,940	\$ 203,157,249
1993	1994	463,785,057	162,324,770	31,013,190	14,813,380	208,151,340
1994	1995	495,355,771	173,375,520	34,329,521	14,798,530	222,503,571
1995	1996	495,310,314	173,358,610	35,114,286	14,082,810	222,555,706
1996	1997	499,138,571	174,698,500	38,537,810	13,793,880	227,030,190
1997	1998	549,470,543	192,314,690	38,919,537	13,137,450	244,371,677
1998	1999	555,774,029	194,520,910	39,817,596	12,856,640	247,195,146
1999	2000	554,417,942	194,016,250	41,445,946	11,848,740	247,310,936
2000	2001	630,692,828	220,742,490	43,255,357	11,224,870	275,222,717
2001	2002	627,427,142	219,599,500	45,356,712	10,282,780	275,248,992

NOTE: The current assessed valuation is computed at approximately the following percentages of estimated true value: Real property – 35%; public utilities – 100% and tangible personal property – 25%.

SOURCE: Cuyahoga County Auditor

CITY OF BEDFORD, OHIO

PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION)

LAST TEN FISCAL YEARS

TABLE 4

Tax Year	Collection Year	Pension General Fund	City of Bedford			Bedford School District (1)	Cuyahoga County	Total
			Trust Funds	Total	Total			
1992	1993	9.40	0.60	10.00	53.40	17.80	81.20	
1993	1994	9.40	0.60	10.00	53.40	17.80	81.20	
1994	1995	9.40	0.60	12.80 (2)	53.40	16.65	82.85	
1995	1996	9.40	0.60	12.80 (2)	59.00	16.60	88.40	
1996	1997	9.40	0.60	12.80 (2)	59.00	16.60	88.40	
1997	1998	9.40	0.60	12.80 (2)	59.00	16.60	88.40	
1998	1999	9.40	0.60	12.80 (2)	57.70	16.70	87.20	
2000	2001	9.40	0.60	12.80 (2)	57.70	16.70	87.20	
2001	2001	9.40	0.60	12.80 (2)	62.50	17.60	92.90	
2002	2002	9.40	0.60	12.80 (2)	63.90	16.20	92.90	

(1) Includes library millage

(2) This total includes the new 2.80 firemedic levy passed on November 8, 1994

City rates do not include 1.5 mills for street lighting assessment

SOURCE: Cuyahoga County Auditor

CITY OF BEDFORD, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS – REAL AND PUBLIC UTILITY

LAST TEN FISCAL YEARS

TABLE 5

<u>Tax Year</u>	<u>Collection Year</u>	<u>Current Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Collections Including Deficiencies</u>	<u>Total as Percent of Current Levy</u>	<u>Accumulated Delinquency</u>
1991	1992	\$ 1,734,367	\$ 1,693,662	97.65	\$ 1,751,850	101.01	\$ 137,697
1992	1993	1,742,654	1,687,406	96.83	1,724,379	98.95	151,125
1993	1994	1,769,522	1,710,717	96.68	1,743,177	98.51	85,879
1994	1995	2,392,480	2,283,758	95.46	2,323,079	97.10	90,868
1995	1996	2,397,056	2,329,056	97.16	2,361,025	98.50	121,701
1996	1997	2,412,697	2,332,212	96.66	2,437,279	101.02	71,335
1997	1998	2,618,889	2,531,929	96.68	2,576,234	98.37	136,358
1998	1999	2,643,590	2,547,540	96.37	2,608,589	98.68	95,378
1999	2000	2,634,161	2,559,951	97.18	2,633,767	99.99	106,576
2000	2001	2,961,620	2,790,577	94.22	2,880,667	97.27	191,148

SOURCE: Cuyahoga County Auditor

CITY OF BEDFORD, OHIO

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	Current Assessments Due	Total Collection Including Delinquencies	Total Collections	
			As Percent of Current Assessments	Cumulative Delinquency
1992	\$ 362,469	\$ 350,717	96.76	\$ 80,397
1993	368,453	386,414	104.87	62,436
1994	404,324	417,733	103.32	49,027
1995	377,057	369,243	97.93	56,841
1996	480,459	464,114	96.60	73,186
1997	471,993	480,073	101.71	70,215
1998	442,626	427,493	96.58	91,263
1999	444,979	464,480	104.38	65,136
2000	430,890	423,400	98.26	97,312
2001	406,922	449,387	110.44	25,415

SOURCE: Cuyahoga County Auditor

CITY OF BEDFORD, OHIO

COMPUTATION OF LEGAL DEBT MARGIN

DECEMBER 31, 2001

TABLE 7

Total Assessed Valuation	\$	<u>275,248,992</u>		
Overall Debt Limitation – 10.5% of Assessed Valuation	\$	28,901,144	Unvoted Debt Limitation – 5.5% of Assessed Valuation	\$ 15,138,695
Gross Indebtedness	\$	22,039,183	Gross Indebtedness	\$ 22,039,183
Less Debt Exempt from Net Indebtedness Calculation:			Less Debt Exempt from Net Indebtedness Calculation:	
Ohio Public Works			Ohio Public Works	
Commission Loans		(770,900)	Commission Loans	(770,990)
Self Supporting Bonds:			Self Supporting Bonds:	
Revenue Loans – Sanitary			Revenue Loans – Sanitary	
Sewer Improvements		(7,847,883)	Sewer Improvements	(7,847,883)
Assessment Issues		(1,070,000)	Assessment Issues	(1,070,000)
Special Assessment Issues:			Special Assessment Issues:	
Revenue Bonds – Water			Revenue Bonds – Water	
Improvements		(1,145,000)	Improvements	(1,145,000)
Debt Service Payable from			Debt Service Payable from	
Municipal Income Taxes		<u>(9,730,000)</u>	Municipal Income Taxes	<u>(9,730,000)</u>
Debt Subject to 10.5% Limitation		1,475,400	Debt Within 5.5% Limitation	1,475,400
Less Bond Retirement Fund			Less Bond Retirement Fund	
Balance		<u>473,223</u>	Balance	<u>473,223</u>
Net Debt Within 10.5% Limitation		<u>1,002,177</u>	Net Debt Within 5.5% Limitation	<u>1,002,177</u>
Legal Debt Margin Within 10.5% Limitation	\$	<u>27,898,967</u>	Legal Debt Margin Within 5.5% Limitation	\$ <u>14,136,518</u>

SOURCE: City of Bedford, Finance Department

CITY OF BEDFORD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2001

TABLE 8

	Assessed Valuation	Debt Outstanding	Percentage Applicable To City of Bedford	Amount Applicable To City of Bedford
City of Bedford	\$ 275,248,992	\$ 5,535,000 (1)	100.00 %	\$ 5,535,000
Bedford School District	805,182,933	9,906,300 (2)	34.18 %	3,385,973
Cuyahoga County	28,699,372,169	216,544,636 (2)	0.95 %	2,057,174
Greater Cleveland Regional Transit Authority	<u>28,699,372,169</u>	<u>123,915,000 (2)</u>	0.95 %	<u>1,177,192</u>
Total	\$ <u>58,479,176,263</u>	\$ <u>355,900,936</u>		\$ <u>12,155,339</u>

(1) Net General Obligation Debt Outstanding. All amounts outstanding with the exception of \$805,000 are payable from an income tax increase. These figures do not include the outstanding general obligation special assessment notes in the amount of \$1,070,000. Source: City of Bedford, Finance Department

(2) Gross Debt Outstanding. Source: Cuyahoga County Auditor's Office

NOTE: The percentage of net debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

CITY OF BEDFORD, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

LAST TEN FISCAL YEARS

TABLE 9

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service On General Bonded Debt</u>	<u>General Governmental Expenditures</u>	<u>Supported Debt Service to General Governmental Expenditures</u>
1992	\$ 200,000	\$ 14,528	\$ 214,528	\$ 10,350,468	2.07%
1993	630,000	23,625	653,625	11,459,481	5.70
1994	504,000	14,314	518,314	12,458,172	4.16
1995	628,000	95,337	723,337	14,219,746	5.09
1996	507,000	59,432	566,432	13,428,767	4.22
1997	413,260	41,295	454,555	12,877,188	3.53
1998	297,260	25,440	322,700	13,905,044	2.32
1999	315,000	54,246	369,246	15,209,868	2.43
2000	127,260	310,341	437,601	16,845,541	2.60
2001	263,189	244,230	507,419	19,462,014	2.61

SOURCE: City of Bedford, Finance Department

CITY OF BEDFORD, OHIO

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS **TABLE 10**

<u>Year</u>	<u>Population</u> <u>(1)</u>	<u>Assessed</u> <u>Value</u> <u>(2)</u>	<u>Gross</u> <u>General</u> <u>Bonded Debt</u>	<u>Less Balance</u> <u>In Debt</u> <u>Service Fund</u>	<u>Net General</u> <u>Bonded Debt</u>	<u>Net Bonded</u> <u>Debt To</u> <u>Assessed Value</u>	<u>Net Bonded</u> <u>Debt Per</u> <u>Capita</u>
1992	14,822	\$ 203,157,249	\$ -	302,290	\$ (302,290)	-	-
1993	14,822	208,151,340	-	337,204	(337,204)	-	-
1994	14,822	222,503,571	1,335,000	338,091	996,909	.45	67.26
1995	14,822	222,555,706	1,085,000	469,304	615,696	.28	42.00
1996	14,822	227,030,190	830,000	524,502	305,498	.13	20.61
1997	14,822	244,371,677	1,315,000	474,396	840,604	.34	57.00
1998	14,822	247,195,146	1,020,000	470,454	549,546	.22	37.00
1999	14,822	248,313,876	5,705,000	397,572	5,307,428	2.14	358.08
2000	14,214	275,222,717	5,775,000	424,738	5,350,262	1.94	376.41
2001	14,214	275,248,992	5,535,000	473,223	5,061,777	1.84	356.11

(1) SOURCE: Federal 1990 and 2000 Census

(2) SOURCE: Cuyahoga County Auditor

NOTE: This schedule does not include G.O. note obligations and OWDA G.O. loans; only G.O. bonded debt

CITY OF BEDFORD, OHIO

REVENUE BOND COVERAGE – WASTEWATER SYSTEM BONDS^(a)

LAST TEN FISCAL YEARS

TABLE 11

<u>Year</u>	<u>Gross Revenues (b)</u>	<u>Direct Operating Expenses(d)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service Requirements(c)</u>	<u>Coverage</u>
1992	\$ 1,991,140	\$ 707,724	\$ 1,283,416	994,335	1.29
1993	1,972,892	919,519	1,053,373	424,821	2.48
1994	2,103,168	1,120,215	982,953	970,424	1.01
1995	1,962,407	984,152	978,255	866,094	1.13
1996	2,056,108	1,032,241	1,023,867	866,093	1.18
1997	2,024,133	1,134,372	889,761	866,094	1.03
1998	1,990,944	965,609	1,025,335	866,094	1.18
1999	2,098,507	1,208,342	890,165	866,094	1.03
2000	2,106,739	975,263	1,131,476	866,094	1.31
2001	2,406,602	1,130,194	1,276,408	866,094	1.47

SOURCE: City of Bedford, Finance Department

- NOTES:
- (a) The Wastewater System Mortgage Revenue Bonds were issued in the years 1986 and 1990 in the amounts of \$7,100,000 and \$4,550,000, respectively. These bonds were defeased in May 1993 and an OWDA loan was issued for \$11,002,993. The Wastewater System Ohio Public Works Commission loan was issued in 1995 in the amount of \$83,265.
 - (b) Gross revenues include operating revenues plus interest income. The revenue amounts were determined in accordance with Generally Accepted Accounting Principles.
 - (c) Annual debt service requirements include principal and interest loan payments on the Ohio Water Development Authority loan and the Ohio Public Works Commission loan.
 - (d) Direct operating expenses do not include depreciation and amortization expense.

CITY OF BEDFORD, OHIO

REVENUE BOND COVERAGE – WATER SYSTEM BONDS^(a)

DECEMBER 31, 2001

TABLE 11-A

<u>Year</u>	<u>Gross Revenues(b)</u>	<u>Direct Operating Expenses(d)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service Requirements(c)</u>	<u>Coverage</u>
1993	\$ 1,838,984	\$ 1,579,202	\$ 259,782	\$ 149,463	1.74
1994	2,114,698	1,780,040	334,658	147,213	2.27
1995	2,196,776	1,899,295	297,481	149,873	1.98
1996	2,342,787	1,915,839	426,948	201,523	2.12
1997	2,450,308	2,148,872	301,436	190,699	1.58
1998	2,677,666	2,120,844	556,822	266,159	2.09
1999	2,787,451	2,457,104	330,347	256,259	1.29
2000	2,851,050	2,412,977	438,073	259,521	1.69
2001	3,033,056	2,606,282	426,774	257,706	1.66

SOURCE: City of Bedford, Finance Department

- NOTES:
- (a) The Water System mortgage revenue bonds were issued in the year 1991 in the amount of \$1,650,000. No payments of principal and interest were made in 1991 and no debt was issued before 1991; therefore, no calculation need be presented. The Water System special assessment bond was issued in 1996 in the amount of \$335,000 and the Water System general obligation bond was issued in 1998 in the amount of \$750,000.
 - (b) Gross revenues include operating revenues plus interest income.
 - (c) Annual debt service requirements include principal and interest on general obligation revenue and special assessment bonds.
 - (d) Direct operating expenses do not include depreciation and amortization expense.
 - (e) The calculations above are in line with the water bond indenture dated September 1, 1991.

CITY OF BEDFORD, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 2001

TABLE 12

Population	14,214
Per Capita Income	\$ 14,935
Number of Dwelling Units	7,074
Mean Persons Per Household	2.30
Median Age	36
Median Value Non-Condo Housing Unit	\$ 64,200
Percent of Owner-Occupied Dwelling Units	92.61
Median Family Income	\$ 30,082

Family Income Distribution:

\$ 0 - \$ 4,999	231
\$ 5,000 - \$ 9,999	444
\$10,000 - \$19,999	1,169
\$20,000 - \$34,999	2,160
Over \$35,000	<u>2,577</u>
Total Families	<u><u>\$ 6,581</u></u>

Education Distribution/Grade

Years Completed:		
0 - 8	461	3.85%
9 - 11	2,220	18.56%
12	5,018	41.95%
13-15	2,886	24.12%
16 or more	1,378	11.52%
High School Graduates	11,963	100.00%

SOURCE: Final 2000 and Final 1990 Federal Census Data. The only information available from the 2001 Census was population; the remaining information was taken from the 1990 Census.

CITY OF BEDFORD, OHIO

EMPLOYMENT DISTRIBUTION BY OCCUPATION

DECEMBER 31, 2001

TABLE 13

	1990 <u>Number Employed</u>	<u>% of Total</u> %
Residents' Employment <u>Distribution by Occupation</u>		
Executive, Administrative and Managerial	893	11.53
Professional Specialty	733	9.46
Technician and Related Support	400	5.16
Sales	775	10.00
Administrative Support, Including Clerical	1,575	20.33
Private Household Service	4	0.05
Protective Service	176	2.27
Other Service	655	8.45
Farming, Forestry and Fishing	91	1.17
Precision Production, Craft and Repair	1,090	14.07
Machine Operators, Assemblers and Inspectors	760	9.81
Transportation and Material Moving	285	3.68
Handlers, Equipment Cleaners, Helpers and Laborers	311	4.02
Total Employment	<u>7,748</u>	<u>100.00</u>

SOURCE: Northern Ohio Data and 1990 Information Service and Federal Census Data.

CITY OF BEDFORD, OHIO

PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

TABLE 14

Tax Year	Collection Year	Commercial/ Industrial Construction (1)	Residential Construction (1)	Cuyahoga County Bank Deposits (In Thousands) (2)	Total Assessed Value (1)	
					Commercial	Residential
1992	1993	\$ 655,900	\$ 129,870	\$ 19,379,280	\$ 60,752,690	\$ 98,210,870
1993	1994	4,565,290	144,390	21,009,421	64,090,850	98,233,920
1994	1995	81,480	32,990	20,885,453	65,635,380	107,740,140
1995	1996	1,347,090	175,660	22,458,573	65,784,730	107,592,970
1996	1997	292,860	429,170	27,068,211	66,819,150	107,879,350
1997	1998	1,443,720	255,060	53,941,971	72,248,380	120,066,310
1998	1999	3,163,910	326,110	58,904,596	74,290,830	120,230,080
1999	2000	1,333,720	478,740	57,816,942	73,536,000	120,510,280
2000	2001	2,635,510	135,290	61,942,764	82,927,810	137,814,680
2001	2002	390,460	488,750	63,893,769	81,783,120	137,816,380

(1) SOURCE: Cuyahoga County Auditor

(2) SOURCE: Federal Reserve Bank of Cleveland (total demand, time, and savings deposits) for Cuyahoga County, Ohio Banks. Key Bank has incorporated all banks in this County under one charter causing the increase in 1997.

CITY OF BEDFORD, OHIO

PRINCIPAL TAXPAYERS

DECEMBER 31, 2001

TABLE 15

<u>Taxpayer</u>	<u>Real Property 2001 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Bear Creek Property Company	\$ 7,184,630	2.61 %
Bedford Colony Club Apartments	5,905,100	2.15 %
L.G.S. Properties/Lee Seidman	5,660,270	2.06 %
Meadowbrook Development Corporation	5,634,750	2.05 %
Cleveland Electric Illuminating Company	5,366,280	1.95 %
Ohio Bell Telephone Company	3,300,540	1.20 %
Aspen Woodside Village LLC	3,097,570	1.13 %
Pick -N- Pay Supermarkets, Inc.	2,700,010	0.98 %
Boehringer Ingelheim Corp. (formally Ben Venue Laboratories)	2,458,350	0.89 %
Bedford Green	1,642,030	0.60 %
Bedford Place	1,244,250	0.45 %
Euclid Clinic	1,243,830	0.45 %
FB Properties LLC	<u>1,046,500</u>	<u>0.38 %</u>
Total	<u>46,484,110</u>	<u>16.89 %</u>
Total Assessed Valuation of City	\$ <u>275,248,992</u>	<u>100.00 %</u>

SOURCE: Cuyahoga County Auditor.

NOTE: Property assessed at 35% of Fair Market Value.

CITY OF BEDFORD, OHIO

OTHER STATISTICS

DECEMBER 31, 2001

TABLE 16

Year Became a Township	1797		
Date of Incorporation as a Village	March 15, 1837		
Date of Incorporation as a City	January 1, 1932		
City Charter Adopted	November 4, 1930	Sewers:	48.7
		Miles of Storm Sewers	
		Miles of Sanitary Sewers	41.8
Form of Government	Council/Manager	Buildings:	
		2001 Permits Issued	161
Land Area:		2001 Valuation of Construction	\$4,372,017
Total Acres	3423.8		
Square Miles	5.6	Parks and Recreation:	
Miles of Streets	48	Number of Parks	4
		Number of Pools	1
		Number of Ice Rinks	0
		Number of Tennis Courts	0
Fire Protection:		Number of Skateboarding areas	1
Number of Stations	1	Number of Baseball Diamonds	4
Number of Firemen and Officers	29	Number of Tot Lots	9
		Number of Soccer Fields	1
Police Protection:			
Number of Stations	1		
Number of Policemen and Officers	30		
Number of Auxiliary Police	28		
Number of Dispatchers – Full-time	5		
Number of Dispatchers – Part-time	6		

SOURCE: City of Bedford, Building Department and Finance Department

CITY OF BEDFORD, OHIO

WATER UTILITY – STATISTICS

DECEMBER 31, 2001 **TABLE 17**

	2001	2000	1999	1998	1997	1996	1995
Water Purchased from Cleveland	99,888.00	92,297.30	96,284.10	91,019.00	98,323.00	93,168.00	92,636.00
Water Sold (Billed) to Users	72,252.40	71,872.70	72,083.20	76,645.00	81,792.30	82,624.50	79,403.10
Percent of Water Billed	72.33%	77.87%	74.87%	84.21%	83.19%	88.68%	85.72%
Water Billings	\$ 2,769,579	\$ 2,652,814	\$ 2,490,431	\$ 2,440,326	\$ 2,252,733	\$ 2,411,822	\$ 2,127,240
Water Collections	\$ 2,833,238	\$ 2,640,467	\$ 2,622,742	\$ 2,485,012	\$ 2,318,566	\$ 2,335,941	\$ 2,177,506
Percentage Collected from Billings	102.30%	99.53%	105.31%	101.83%	102.92%	96.85%	102.36%
Payments to the City of Cleveland	\$ 2,241,518	\$ 2,003,510	\$ 1,963,562	\$ 1,742,379	\$ 1,730,477	\$ 1,516,000	\$ 1,440,398
Percentage of payments to the City of Cleveland compared to total water collections	1.2640	1.3179	1.3357	1.4262	1.3398	1.5409	1.5117

SOURCE: City of Bedford Water Department

This Page is Intentionally Left Blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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 30, 2002**