

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2010

***COVER PICTURES AND DIVIDER PAGES DEPICT
CHRISTMAS IN BEDFORD, CITY PARKS AND EVENTS.***





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Bedford, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 7, 2011

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**City of
Bedford, Ohio**

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2010

Prepared by:

DEPARTMENT OF FINANCE
Frank C. Gambosi, CPA, DIRECTOR
Debbie Parina, Administrative Secretary
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City of BEDFORD, Ohio

I NTRODUCTORY S ECTION





City of BEDFORD, Ohio

City of Bedford, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
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CITY OF BEDFORD OHIO

August 31, 2011

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

We are presenting to you the City of Bedford's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ending December 31, 2010 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. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Ciuni & Panichi, Inc., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD and A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD and A complement this letter of transmittal and should be read in conjunction with it.

The City considered potential component units for inclusion in the reporting entity. Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependant on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes.

The Bedford City School District, Bedford Community Development Corporation and the (Cleveland) Regional Transit Authority have not been included in the accompanying financial statements. The boards of these entities are not appointed by the City, nor is either fiscally dependent on the City of Bedford. The City has no component units.

History of Bedford and Form of Government

The City of Bedford, located in northeastern Ohio and southeast of Cleveland, has a good mix of business and industry as well as a long established residential community, and covers 5.6 square miles. The City's 2010 estimated population from the Federal census was 13,074. The City was first established as a township in 1797 and became a village in 1837. It was incorporated as a City under Ohio law in 1932 and operates under its own charter, which was adopted that same year. The Charter provides that the City operate under the Council/Manager Form of Government. The City Manager, Law Director, Clerk of Council and Director of Finance are appointed by the seven-member elected Council. The City Manager is the Chief Administrative Officer of the City.

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

The Police Department enforces local, state, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2010 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall.

The Fire Department provides fire protection and emergency medical services (paramedic) to City of Bedford citizens, as well as placing strong emphasis on community involvement and education. A Chief and his assistant lead the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall. The Fire Departments of Maple Heights and Bedford are promoting regionalism by coordinating their departments to respond to fire calls together providing more manpower at fire alarms. Also the resources of a fire pumper and ladder truck have been reallocated for better response time and may allow less equipment to be purchased in the future, saving taxpayers money. The Fire Chiefs have initiated better services while not increasing any costs to our citizens.

The Service Department is comprised of several divisions administered by the Service Director and a Public Works Superintendent. The Service Department is responsible for the maintenance of all City vehicles, street signs, and snow and leaf removal. The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains the water mains and bills all water users for the consumption of water on a monthly basis. The City will continue to invest heavily in the improvement of its water system to tighten it from leaks or any loss of water in the system. Therefore, billings to the public in line with payments for water usage to the City of

Cleveland will be more accurate and collections increased. Another service provided is the storm/sanitary sewers maintenance for proper drainage control. The department assists with the writing of recycling grants and overseeing the contractors that collect waste and process recyclables. The Parks Division is also under the direction of the Service Department and maintains the City parks. The City utilizes the services of a forester to monitor tree plantings and removal of trees throughout the City. The City has received the award of Tree City, U.S.A., sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forestry Service.

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

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

The Director of Economic and Community Development is responsible for promoting the City to businesses while creating jobs and development within the City. This department also has the responsibility of writing grants for all major projects to achieve proper funding levels. The department also is heavily involved in community programs for the citizens throughout the year. Community programs include The Bedford Falls Winter Festival, summer concerts on the Town Square, the Children’s Fall Festival, the Pooka arts program, the City newsletter, Bedford Arts and Cultural programs and the coordination of the Outdoor Produce Market.

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

The Municipal Income Tax Department is responsible for the collection of the municipal income tax from 6,300 resident returns, 2,800 business net profits returns and the collection from 2,000 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, credit card and electronic check tax payments, as well as free preparation in-house service for the municipal income tax returns.

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

The Building Department is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections and licenses all contractors. The department works with qualifying residents to improve their housing through three CDBG housing grant programs. These programs provide funding for the purchase of homes, repairs and sale of homes to be reinvested again into the same programs. Depending upon the program, costs may be incurred to qualifying residents.

Economic Condition and Outlook

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

The City is in the process of completing a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation has completed the construction of their headquarters building. The Hemisphere Corporation and Hull & Associates have completed building a new headquarters on this site at a cost of \$3.2 million. This was constructed on a Brownfield site and the site is to be developed with grants from the Cuyahoga County Brownfield Fund, Brush Wellman, prior owners of the site, the State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI).

Within a period of 5 years after completion of construction, Hemisphere will create 3 new jobs and transfer 5 current jobs to the site. Hull & Associates will create 16 new jobs and transfer 29 jobs to the site and, in total, both companies will create additional payroll of \$1,300,375. Current annual payroll of each company is \$525,596 and \$1,200,232 respectively.

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 the 15th largest pharmaceutical company in the world having more than 39,000 employees with locations in over 46 countries. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has highly automated manufacturing facilities throughout the world including locations in Columbus, Ohio, Mexico City, Mexico and Barcelona, Spain. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue is the largest and oldest manufacturer of lyophilized (freeze-dried) injectable drugs in the United States. Since 1995, Ben Venue has obtained over 130 Abbreviated New Drug Application (ANDA) approvals for injectable drugs from the FDA, building a portfolio of over 260 products and dosages, and is a major player in the injectable pharmaceutical industry. Ben Venue continues to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the community.

Ben Venue's history of continued growth is one any city could hope for. Going back to 1995, Ben Venue employed 419 employees and operated within their 250,000 square foot facility. From 1996 to present, Ben Venue has approached the City for abatements in the Community Reinvestment area, regarding Real Estate development and tax exemptions to be able to conduct various expansion projects. Subsequently, Ben Venue has been able to continue to grow within their Bedford, Ohio location. At year end, 2010, headcount has increased to 1,317 and they are now operating within 1 million square foot of manufacturing area. Most recent projects include their Cyto Geno Facility and Laboratory Office Building

Ben Venue added a laboratory and administrative office area in recent years. On November 2, 2006, Ben Venue signed a Community Reinvestment Area Agreement (#3) with the City to construct a 90,000 square feet free standing office building complex now known as the Quality and Development Center. The total amount of project investment was \$17.5 million with building costs of \$14.8 million and an investment of new machinery at a cost of \$1.5 million. The City offered incentives in the form of an abatement of real estate only at 50 percent for 15 years. This project was completed by mid 2008 and received Silver Certification by LEED standards through the US Green Building Coalition in 2009.

In November 2009, Cuyahoga County was the recipient of a \$2.5 million Clean Ohio Revitalization Fund grant that will be used to conduct remediation activities at the Ben Venue site. This is a tremendous success that comes as a result of the collaborative efforts of the County, City of Bedford and Ben Venue officials working together for the betterment of our community.

Major Initiatives

During the fiscal year ending December 31, 2010, the City completed or made substantial progress toward several major goals or projects.

The following are projects completed in 2010 and various grants received by the City:

In 2010 the City of Bedford issued \$5,090,000 in Tax Exempt (Series A) and Build America Bonds (BAB's-Series B). The tax exempt Series A bonds amounted to \$2,125,000 and Series B taxable Bonds were issued in the amount of \$2,965,000. The City paid an additional \$38,867 in premiums to obtain and overall net interest cost of 4.73 percent with a true interest cost of 3.20 percent, the average life (years) is 13.081. Total bond proceeds were \$5,128,867.

The projects funded by these bonds, the amount borrowed for the projects, and the funds affected are as follows:

General Fund:

| | |
|--|-----------|
| Case 621 EXR Articulated Loader (front end loader) - | \$130,000 |
| Broadway Culvert Bridge Wood Creek - | 125,000 |
| Roadways - Street Improvements 2010 - | 1,640,000 |

Public Safety Fund:

| | |
|-------------------|---------|
| Ambulance Squad - | 250,000 |
|-------------------|---------|

Water Fund:

| | |
|--|---------|
| Water Meters - | 350,000 |
| Solon Road Water Main Replacement - | 680,000 |
| Grand Boulevard Water Main Replacement - | 595,000 |

Waste Water Fund:

| | |
|---|---------|
| Heather Road Rehabilitate Walls - | 40,000 |
| Replace Telemetry-All Stations - | 160,000 |
| Mapledale Road Standby Generator - | 75,000 |
| Engineering Costs - | 40,000 |
| Equalization Basin Road/Erosion Control - | 65,000 |
| Equalization Basin Replace Submerible Pumps and Replace Concrete - | 250,000 |
| Replace Steel Doors - | 65,000 |
| Construct Sludge Storage Building - | 150,000 |
| Comminutor Replacement/Building Modification - | 160,000 |
| Ultra Violet Disinfection - | 205,000 |
| Engineering - | 110,000 |

State Issue II grant funds were applied for and received for more water lines including the streets of Magnolia Drive, Franklin Avenue, and an alley called Railroad Avenue. The City used the bond proceeds as matching funds, to obtain the OPWC grant in the amount of \$994,000. Funding of this project is as follows: \$394,000 is in the form of a 0 percent loan over 20 years, \$300,000 has been granted from OPWC and the City will match \$300,000, of the \$595,000, of bond proceeds to pay for the project.

In 2010, the rating agency of **Standard & Poor's** upgraded the City's Bond issue(s) to an **AA level** While **Moody's Investor Services** recalibrated the City's debt in 2009 and assigned the City a rating of **AA2** and reaffirmed this rating after a presentation to these agencies in Chicago in 2010.

The City Council and the Administration went to the voters to pass a permanent 8.9 mill Safety Forces Levy on November 3, 2009. The levy passed (71 percent), and the City received \$2.354 million in 2010. The City Fire and AFSCME Unions along with council and the administration agreed to a concession of no raises in 2010 to avoid layoffs of their union members. The Police union did not agree to concessions and one officer was laid off and the Police Department budget was reduced to offset the funds necessary to have a total combined reduction in costs of \$400,000, in 2010.

The total deficit of \$2.7 million per year was due to the reduced revenues from State funded sources (\$700,000 per year) (inheritance taxes, personal property taxes, and local government funds) and \$2.0 million less revenues from net profit taxes from businesses annually. Based upon the receipt of the above levy funds, the City was able to balance the budget for 2010 in the general fund. The State of Ohio is currently considering the elimination of the estate tax in the next three years, and has adopted a State budget that provides a 25 percent cut in local government funding starting July, 2011, and then cuts 50 percent of the local government funds to the cities starting July, 2012. The negative effect of both cuts will eventually reduce general fund's revenues annually by \$100,000 and \$330,000, respectively.

The City Administration prepared and adopted the 2011 annual budget (appropriations) before December 31, 2010; 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 will be looking at more ways to reduce spending and increase revenues in the budget for 2011.

The City was awarded a grant of \$78,040 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program (SEALE). The program was changed to a calendar year end grant. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. Confiscated dollars were \$101,973 in 2010, and \$127,897 in 2009, this year's total revenue from all sources including grants, additional funding from the SEALE entities, and confiscated dollars was \$434,230.

The American Reinvestment Recovery Act (ARRA) of 2009 allowed the City to obtain two more funding sources for the SEALE program (Byrne Formula grant-CFDA #16.803) in the amounts of \$64,627 and \$80,693. The City received another ARRA grant (Byrne JAG Program 16.803) for the Juvenile Diversion Coordinator in the amount of \$36,210. The City received a grant for the Violence Against Women Act (VAWA) in the amount of \$26,640.

The City received two ARRA grants through the Housing and Urban Development (HUD) passed through Cuyahoga County. First was the CDBG 14.253 Funds Housing Improvement Grant in the amount of \$100,000 for the improvement of a house at 97 Flora. This house was improved at a cost of around \$97,000 and sold for \$80,000. The City was able to retain \$14,000 for builder fees and the \$66,000 was returned as program income to the County. The second ARRA grant was afforded to the City under CDBG section 14.256 Funding Neighborhood Stabilization (NSP) Grant in the amount of \$700,000. These funds are currently being utilized to reconstruct the addresses of 741 Washington Street, 775 Lincoln Avenue, 831 Lincoln Boulevard, and 166 Woodrow Avenue.

The City received a grant from Cuyahoga County in the amount of \$32,589 for the demolition of housing at the addresses of 271 West Grace Street, 22 Nordham Drive, 88 Northfield Road, and 1275 Broadway Avenue.

The City received a CDBG grant from Cuyahoga County for the reconstruction of streets (Adams and Woodrow) in the Presidential District of the City in the amounts of \$276,023. Total cost of construction and engineering are expected reach \$339,705.

The City received its final reimbursement for an Issue II engineering reimbursement grant on the construction of Rockside Road. To date, the City has received the entire \$152,816 grant authorized by the State of Ohio.

The City in 2010, received an Energy Grant from NOPEC for facilities energy savings and public education programs related to energy savings in the amount of \$144,740.

The street lighting rate of millage was decreased in 2010 tax budget for collection in 2011 to 1.0 mill even though the County decreased its valuation of City property and, prior to this, the City was at 1.1 mills in 2009 for collection in 2010 and, before that, maintained for eight straight years 1.2 mills for the street lighting fund. Again the values decreased, but this time, commercial property values fell. The County performed its six-year reappraisal of industry and residential property values in 2009. Due to the economy and housing foreclosure problems, the County is estimating that the collections on real estate taxes for 2010 would have a delinquency rate of 5.64 percent; however, in 2009 the county's estimated delinquency rate was 6.2 percent, but the actual delinquency rate was 3.34 percent at year's end. The following table represents the estimate from the County with the estimated delinquency rate compared to the actual collections with the real delinquency rate.

Estimated Real Estate Collections in thousands (000's)

| | At 100 | County | |
|--------------------------|---------|-----------|---------|
| | Percent | Estimated | Actual |
| 2009 for Collection 2010 | \$2.573 | \$2.414 | \$2.487 |
| 2010 for Collection 2011 | 2.523 | 2.381 | |

The City realized its sixteenth-year 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 percent more than City is charging today (over \$3.2 million has been saved to date).

The Tax Department utilized the innovation award winning on-line income tax preparation system for the past eight years throughout the 2010 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of this system found it accurate and available for use 24 hours a day. The program allows the taxpayer convenience of this preparation in the comfort of their home or office.

The Bedford Fire Department performed 1,776 ambulance runs in the year 2010. The ambulance runs generated reimbursement revenue in the total amount of \$359,515 in 2010, \$397,350 in 2009, and \$375,655 in 2008. The City pays a 7 percent administrative billing costs to Great Lakes Billing Company on an annual basis. Billing was affected by the implementation of a new University Hospitals Health System (UHHS) billing system in 2010. An increase in user rates was last placed in service July 14, 2008.

The City established a housing rehabilitation fund to repair violations against abandoned properties and assess these costs to the homeowner's tax duplicate. The City has spent \$5,015 in 2010, \$128,801 in 2009, and \$108,194 in 2008. These costs were assessed to the parcels. The City has a collection rate of 100 percent if we consider all houses improved over one year, excluding the one house with major liens.

The City established a HUD housing fund to own and rehabilitate houses for resale. The City purchased 16 houses ranging from \$1 to \$30,100. The City was able to sell 11 houses out of the 16 for a combined net loss of \$2,735. However, the City's general fund advanced \$730,000 to date for these 16 houses. The current advance balance to be paid back to the general fund is \$450,000. The first house was purchased in December of 2007. The City has expended overall \$1,244,374, while the sale of homes has brought in \$910,857 to date. The City benefits by improved appearance of homes in the neighborhood and long term ownership of homes.

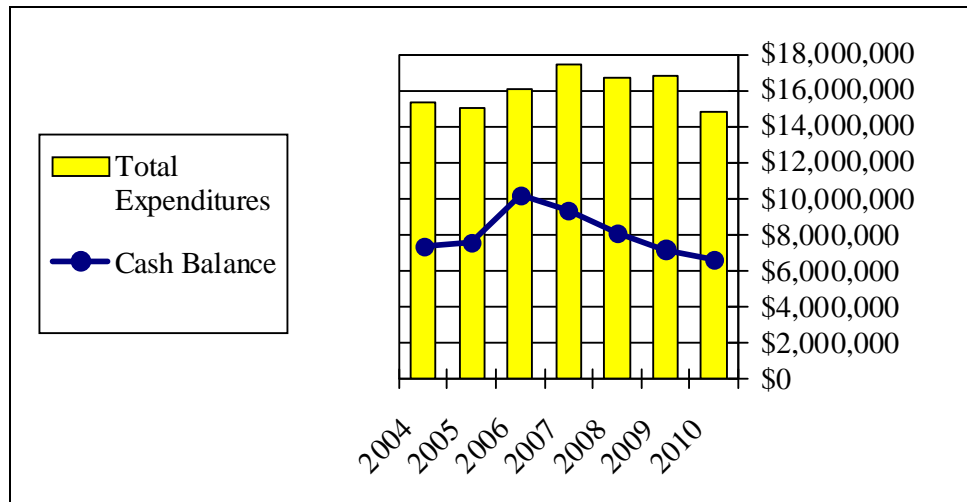
The City has been self-insured regarding health insurance costs for our employees for the past 17 years. In 2010, the net savings from this type of program was over \$400,000 versus having a premium plan program. The estimated savings to the general fund from being self-insured to date for the past 17 years is \$2,555,000.

Financial Information

Long-term financial planning

As you can see from the following graph, the general fund ended the year with a cash balance of \$7,449,687. The 2010 operating cash balance represented 44.49 percent of the total general fund (GF) expenditures or 162

days of general fund operating expenditures. This cash balance falls above the City’s verbal policy to the rating agencies of maintaining a minimum required balance of \$5.8 million dollars in the general fund. The City has a formal general fund unassigned balance and reserve policy to maintain 15 percent of general fund’s appropriations. The \$5.8 million balance is required to cover any future negative changes in net-profit payments from our largest taxpayer.



The City has completed an updated master and strategic plan for future projects and needs.

Accounting Policies and Budgetary Control

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

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

The annual budget serves as the foundation for the City of Bedford’s financial planning and control. 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 2010.

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

Internal accounting and reporting control

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

Financial Policies that had significant impact on the current year's financial statements:

The mission of the City is to develop, maintain and implement financial accounting policies and procedures to protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of Federal law, Ohio Revised Code, Generally Accepted Accounting Principles (GAAP), and the City of Bedford's Codified Ordinances. The departmental goals are to develop sound fiscal policies, provide solid fiscal management for the City, maintain reserves and fiscal integrity, and protect the assets of the Citizens of Bedford.

General Fund Balance Policy

The City has long maintained a general fund reserve fund balance policy. The current reserve is set at \$5.8 million and with other current available funds at \$798,329 these amounts represented, as stated above a 44.49 percent fund balance to operating expenditures ratio. Having this policy in place, and the Administration as well as Council realizing that a deficit spending pattern of \$2.7 million per year was taking place (general fund revenues vs. expenses); the City placed an 8.9 mill levy on the November 3, 2009 ballot to counter this deficit immediately. The deficit was created due to the elimination of taxes passed by the State, and the reduction of tax dollars provided by the State, as well as, a large reduction in business net profit income tax dollars. The citizens of Bedford seeing the need also, overwhelmingly passed the issue by 71 percent.

Debt Policy

The City has a debt policy, which has been utilized recently and analyzed yearly. Our latest general obligation \$5.1 million debt issue was in 2010. Our debt issues are well in line with our debt capacity and in line with our affordability requirements. The City issued this debt in 2010 for projects and improvements deemed necessary, timely, and affordable by the Administration and City Council.

Investment Policy

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income during 2010 was \$37,698 and \$172,163 in 2009.

The City has established 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. See the notes to the financial statements for risk analysis and details of investments.

Independent Audit

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. Ciuni & Panichi, Inc., performed these services for 2010, and an unqualified opinion is presented in the financial section.

Certificate of Achievement

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

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

A Certificate of Achievement is valid for a period of one year only. The 2009 CAFR received the Certificate of Achievement and we believe our current report will conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2010 Comprehensive Annual Report to the GFOA for award consideration.

Acknowledgments

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

Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Henry J. Angelo
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2010

Elected Officials

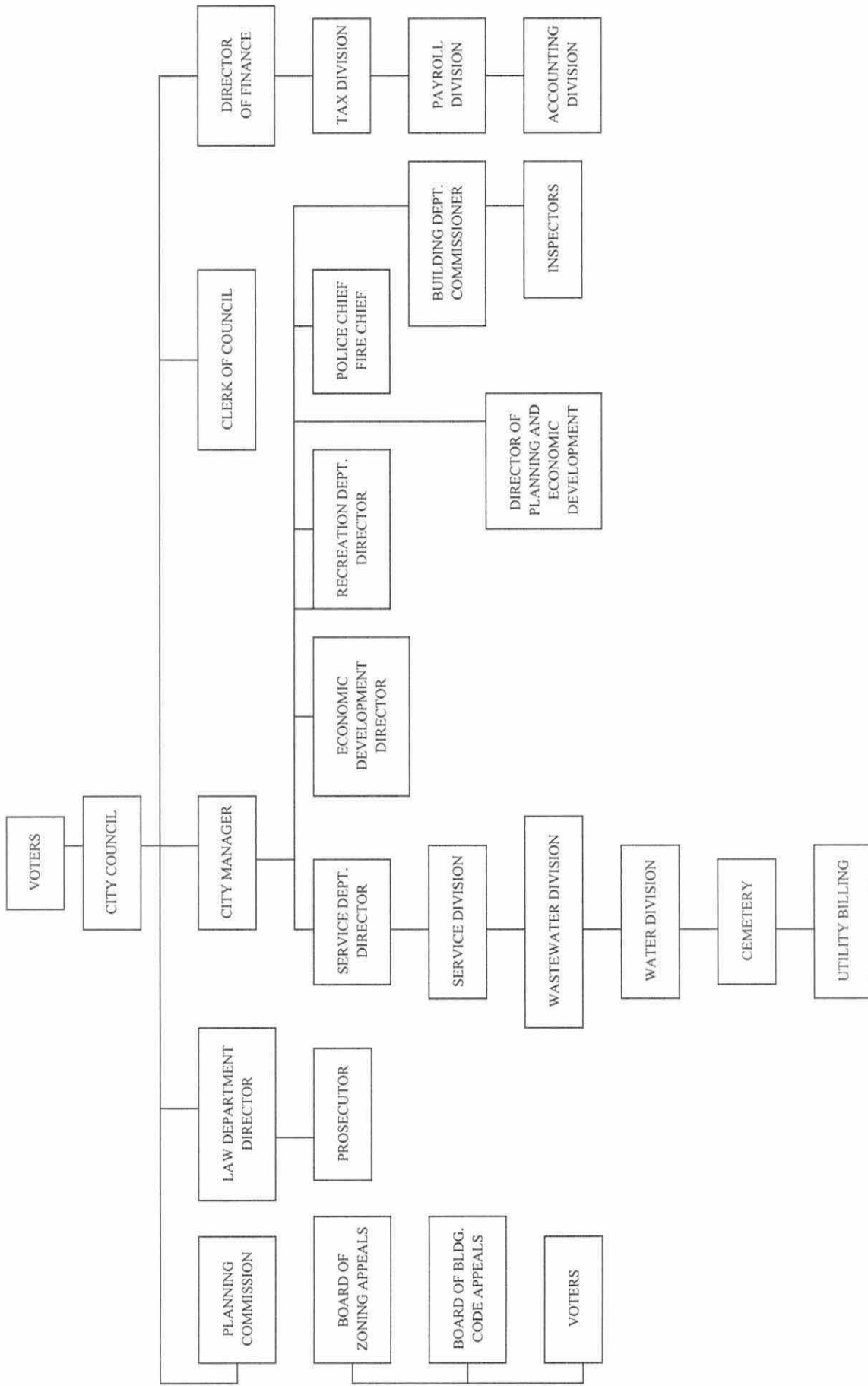
Mayor..... Dan Pocek
Vice Mayor Stanley Koci
Council Member Paula Mizak
Council Member Donald A. Saunders
Council Member Marilyn B. Zolata
Council Member Gregory E. Pozar
Council Member Warner Batten
Presiding Judge Brian J. Melling
Municipal Judge..... Harry Jacobs

Appointed Officials

City Manager Henry J. Angelo
Director of Finance Frank C. Gambosi
Director of Law/Prosecutor..... Kenneth A. Schuman
Clerk of Council..... Kathleen M. Lynch (1)
Director of Economic and
Community Development..... Michael S. Mallis
Building Commissioner Philip A. Seybolt
Service Director Clint E. Bellar
Superintendent of Public Works Robert L. Duber
Chief of Fire..... David V. Nagy
Police Chief..... Gregory A. Duber
Director of Recreation Randall J. Lewis

(1) Lorree Villers was appointed Clerk of Council on April 18, 2011.

ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

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F INANCIAL

S ECTION





City of BEDFORD, Ohio

Members of the City Council
Bedford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio (the "City") as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Public Safety Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Bedford, Ohio

The management's discussion and analysis on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Cini & Parichi, Inc.

Cleveland, Ohio
August 31, 2011

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The discussion and analysis of the City of Bedford's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The City placed an 8.9 mill safety forces levy on the November 2009 ballot and this levy was overwhelmingly approved by the residents for the operation and upkeep of the City's police and fire departments. The departments continued their strong emphasis on the training of their personnel to maintain their proficiency and to keep up with the rapidly changing laws, practices and technology.
- Total assets of the City of Bedford exceeded liabilities at the close of the most recent year (2010) by \$48,260,027 compared to \$48,443,594 at the end of 2009. Of this amount \$17,260,782 (2010) and \$14,130,830 (2009) may be used to meet the government's ongoing obligations to citizens and creditors provided it is expended or transferred according to the charter of the City of Bedford and/or the general laws of Ohio.
- Capital assets of governmental activities decreased by \$796,321, which represents a 2.26 percent decrease from 2009. Capital assets of business-type activities increased \$199,021, which represents a 1.47 percent increase from 2009. Overall capital assets decreased due to current year depreciation outpacing current year acquisitions. The City issued general obligation (GO) debt in 2010 to improve: streets (\$1,640,000), the Broadway Bridge (125,000), wastewater plant improvements including equalization basin improvements (\$1,320,000), water improvements to mains and new commercial meters (\$1,625,000), and the purchase of new vehicles (380,000) including a new ambulance and front-end loader. The City issued up to 10 years tax exempt bonds and thereafter, the City issue Build America Bonds (BABS).
- The total amount of GO Bonds including BABS issued in 2010 was \$5,090,000. The debt is to be paid from the following revenue sources: Water and Wastewater GO bonds and BABS from the Water and Wastewater funds with applicable water and sewer rates billed to utility users to pay for the annual debt service. The Streets, the Broadway Bridge and the loader are to be paid from the 3.28 inside mills of real estate taxes collected in the general fund but the annual GO Bonded debt amount is then allocated to the GO Debt Service Fund to pay off the debt.
- Total current governmental assets increased by \$1,751,930 due to: more cash on hand from the borrowed funds, and increases in intergovernmental receivables, and assets held for resale. One of the reasons for the increase in total governmental revenues is attributable to an increase in the income tax collections from business net profits. A decrease in investment income is due to a decline in interest rates and lower fund balances for the second straight year.
- The main increase in total governmental revenues is attributable to an increase in the real estate taxes collected from the 8.9 mills voted in November 2009, and the federal grant funds received in 2010 for Housing Rehabilitation and the Neighborhood Stabilization Preservation (NSP) program (\$800,000).

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

- Total current liabilities are similar to 2009; however, the accounts payable Business-Type Activities account increased by \$504,279 during the current year. The increase was due to more payables from the construction payments due on the Solon Road water line project and deferring water bill payments made to the City of Cleveland for water purchases, by changing from paying these bills by check, to first charging the bills on a credit card, then waiting for the credit card bill, to be sent to the City, and then paying by check. Two months were payable instead of one at the end of 2010.
- The total municipal income tax revenues for all funds in 2010 were \$9,079,417 versus \$8,493,185 in 2009. This equates to a \$586,232 (6.90 percent) increase in income tax revenue. On the cash basis of accounting, the municipal net profits income taxes paid by one of our largest taxpayers had remained at zero for 2010 and 2009, but decreased by \$622,874 from 2008; and reduced payments by \$1,359,216 in 2008 over 2007 creating a total deficit each year thereafter, of \$1,982,000. This same taxpayer's, employee withholding tax payments, has increased 1 percent over 2009 and withholding payments to the city were increased by 9.65 percent in 2009 over collections in 2008. Therefore the 8.9 mills Safety Forces levy was afforded for passage to the taxpayers in 2009.
- The City is committed to providing the Citizens of Bedford with the highest quality of services while maintaining efficiency and cost effectiveness. Overall, governmental activities expenses in 2010 increased slightly 1.2 percent over 2009 as a result of diligent financial management. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Bedford include general government, security of persons and property (Police and Fire), public health and welfare, leisure time activities, community development, transportation and basic utility services. The business-type activities include water and wastewater.

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

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

Governmental Funds *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund and the public safety special revenue fund which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City of Bedford adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided as supplementary information for each governmental and proprietary fund to demonstrate budgetary compliance.

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

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds are agency. The fiduciary fund financial statement can be found on page 30 of this report.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. GASB 54 was early implemented for the year 2009. Please see the notes to the basic financial statements concerning data reporting this change and the further clarification of fund balances. The notes to the basic financial statements can be found on pages 31 through 62 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 66 of this report.

Government-Wide Financial Analysis While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

The City of Bedford as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2010 compared to 2009.

(Table 1)
Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Assets | | | | | | |
| Current and Other Assets | \$25,204,813 | \$23,452,883 | \$7,833,925 | \$5,255,302 | \$33,038,738 | \$28,708,185 |
| Capital Assets, Net | 34,503,907 | 35,300,228 | 13,719,803 | 13,520,782 | 48,223,710 | 48,821,010 |
| <i>Total Assets</i> | <u>\$59,708,720</u> | <u>\$58,753,111</u> | <u>\$21,553,728</u> | <u>\$18,776,084</u> | <u>\$81,262,448</u> | <u>\$77,529,195</u> |

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

(Table 1)
 Net Assets (continued)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Liabilities | | | | | | |
| Current and Other Liabilities | \$7,736,605 | \$7,725,979 | \$1,127,773 | \$610,865 | \$8,864,378 | \$8,336,844 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 1,121,118 | 1,026,279 | 1,205,146 | 1,165,551 | 2,326,264 | 2,191,830 |
| Due in More than One Year | 13,095,778 | 11,681,404 | 8,716,001 | 6,875,523 | 21,811,779 | 18,556,927 |
| <i>Total Liabilities</i> | <u>\$21,953,501</u> | <u>\$20,433,662</u> | <u>\$11,048,920</u> | <u>\$8,651,939</u> | <u>\$33,002,421</u> | <u>\$29,085,601</u> |
| Net Assets | | | | | | |
| Invested in Capital Assets | | | | | | |
| Net of Debt | 22,729,591 | 24,376,061 | 4,122,051 | 5,780,208 | 26,851,642 | 30,156,269 |
| Restricted: | | | | | | |
| Capital Projects | 0 | 410,909 | 0 | 0 | 0 | 410,909 |
| Debt Service | 533,106 | 624,790 | 0 | 0 | 533,106 | 624,790 |
| Municipal Courts | 746,043 | 714,104 | 0 | 0 | 746,043 | 714,104 |
| Streets | 1,125,705 | 1,098,471 | 0 | 0 | 1,125,705 | 1,098,471 |
| Community Development | 535,619 | 201,776 | 0 | 0 | 535,619 | 201,776 |
| Street Lighting | 585,951 | 647,086 | 0 | 0 | 585,951 | 647,086 |
| Other Purposes | 621,179 | 459,359 | 0 | 0 | 621,179 | 459,359 |
| Unrestricted | 10,878,025 | 9,786,893 | 6,382,757 | 4,343,937 | 17,260,782 | 14,130,830 |
| <i>Total Net Assets</i> | <u>\$37,755,219</u> | <u>\$38,319,449</u> | <u>\$10,504,808</u> | <u>\$10,124,145</u> | <u>\$48,260,027</u> | <u>\$48,443,594</u> |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Bedford, total assets exceed total liabilities by \$48,443,594 at December 31, 2009 and \$48,260,027 at the close of the most recent year.

The largest portion of the City's net assets (55.6 percent) reflects "Investments in Capital Assets" (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total governmental assets increased by \$955,609 from 2009 to 2010, while the City's total governmental liabilities increased by \$1,519,839. The most significant changes in total assets was the increase in equity in pooled cash and cash equivalents of \$3,659,978, an increase in intergovernmental receivables of \$511,898, and an increase in assets held for resale of \$189,941. The reason for the increase in property taxes receivable was due to the Safety Forces Levy as stated earlier. The income taxes receivable increased as the City stepped up more types of collection efforts through two outside collection vendors and therefore collected more funds on delinquent accounts and obtained more delinquent accounts in the process. Another item affecting the total assets was the accumulated depreciation on assets which reduced capital assets, and next year future expenditures of borrowed funds on capital projects will occur adding to net capital assets in 2011. The increase in the long term liabilities was mainly due to the general obligation bonds issued in 2010 in the amount of \$5,090,000.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

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

Most of this increase in governmental net assets is due to the increase in cash on hand. Due to the State of Ohio's budget problems, and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has increased the inheritance tax level of reporting for residents from \$25,000 to \$338,000. This has had and will have a future effect on the revenue stream in the City. This change in taxation has led to a loss of inheritance tax revenue yearly since 1999.

The State of Ohio has also adopted House Bill 66 that phased-out the personal property tax, with 2008 being the last year of collection. The State of Ohio passed a Commercial Activities Tax (CAT) to allow the State to reimburse the City for 4 years through 2010. Thereafter, the State budget will eliminate the CAT tax revenues received by the City by \$335,699 out of \$462,672 in 2011, and totally eliminate the tax (\$462,672) in 2012. The State of Ohio is also proposing in the current budget to reduce the Local government funds to cities at 25 percent in 2011-2012 and 50 percent in 2012-2013 for an additional loss of \$330,000 per year. The City of Bedford's estimated loss for the next 3 years is expected to be \$792,672 per year.

The State of Ohio is also proposing to fund their \$8-10 billion deficit, in the new State budget for 2011-2012, with the elimination of the estate (inheritance) tax which would additionally reduce the City's revenue by the amount of \$90,000 each year.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2010 and 2009.

(Table 2)
Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|-------------------------|---------------------|--------------------------|------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | | |
| <i>Program Revenues</i> | | | | | | |
| Charges for Services | \$3,026,874 | \$3,187,759 | \$6,551,129 | \$6,137,926 | \$9,578,003 | \$9,325,685 |
| Operating Grants and Contributions | 3,317,598 | 1,966,351 | 0 | 0 | 3,317,598 | 1,966,351 |
| Capital Grants and Contributions | 24,856 | 392 | 0 | 0 | 24,856 | 392 |
| <i>Total Program Revenues</i> | 6,369,328 | 5,154,502 | 6,551,129 | 6,137,926 | 12,920,457 | 11,292,428 |
| <i>General Revenues</i> | | | | | | |
| Property Taxes | 5,323,561 | 3,284,180 | 0 | 0 | 5,323,561 | 3,284,180 |
| Municipal Income Taxes | 8,802,816 | 8,242,841 | 276,601 | 250,344 | 9,079,417 | 8,493,185 |
| Grants and Entitlements not Restricted to Specific Programs | 1,406,412 | 950,510 | 0 | 0 | 1,406,412 | 950,510 |
| Investment Income | 37,698 | 172,163 | 31,346 | 90,936 | 69,044 | 263,099 |
| Gain on Sale of Capital Assets | 4,957 | 145,395 | 21,696 | 0 | 26,653 | 145,395 |
| Miscellaneous | 172,198 | 311,302 | 66,737 | 45,058 | 238,935 | 356,360 |
| <i>Total General Revenues</i> | \$15,747,642 | \$13,106,391 | \$396,380 | \$386,338 | \$16,144,022 | \$13,492,729 |

City of Bedford, Ohio
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Unaudited

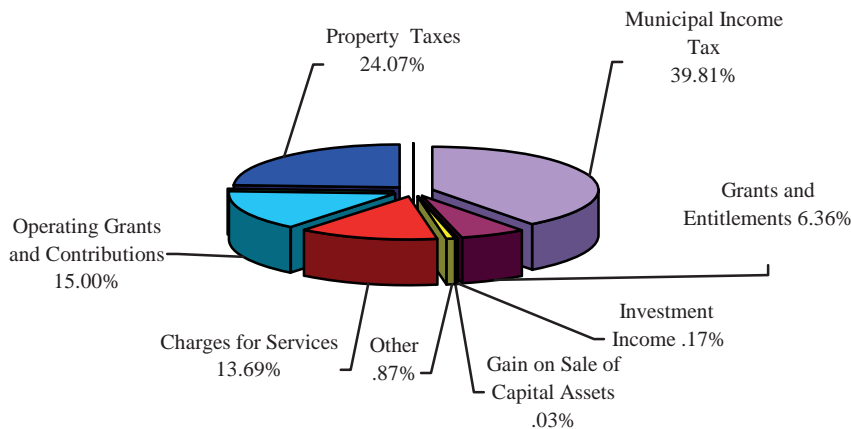
(Table 2)
 Changes in Net Assets (continued)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Program Expenses | | | | | | |
| General Government | \$4,908,785 | \$4,928,374 | \$0 | \$0 | \$4,908,785 | \$4,928,374 |
| Security of Persons and Property | | | | | | |
| Police | 5,247,617 | 5,359,101 | 0 | 0 | 5,247,617 | 5,359,101 |
| Fire | 3,755,520 | 3,598,515 | 0 | 0 | 3,755,520 | 3,598,515 |
| Public Health and Welfare | 177,865 | 166,753 | 0 | 0 | 177,865 | 166,753 |
| Leisure Time Activities | 1,391,675 | 1,386,520 | 0 | 0 | 1,391,675 | 1,386,520 |
| Community Development | 949,599 | 912,620 | 0 | 0 | 949,599 | 912,620 |
| Basic Utility Services | 1,054,778 | 1,046,474 | 0 | 0 | 1,054,778 | 1,046,474 |
| Transportation | 4,685,770 | 4,447,747 | 0 | 0 | 4,685,770 | 4,447,747 |
| Interest and Fiscal Charges | 509,591 | 566,322 | 0 | 0 | 509,591 | 566,322 |
| Water | 0 | 0 | 4,515,808 | 3,854,565 | 4,515,808 | 3,854,565 |
| Wastewater | 0 | 0 | 2,051,038 | 2,024,262 | 2,051,038 | 2,024,262 |
| <i>Total Program Expenses</i> | <u>22,681,200</u> | <u>22,412,426</u> | <u>6,566,846</u> | <u>5,878,827</u> | <u>29,248,046</u> | <u>28,291,253</u> |
| Increase in Net Assets | (564,230) | (4,151,533) | 380,663 | 645,437 | (183,567) | (3,506,096) |
| Net Assets Beginning of Year | 38,319,449 | 42,470,982 | 10,124,145 | 9,478,708 | 48,443,594 | 51,949,690 |
| Net Assets End of Year | <u>\$37,755,219</u> | <u>\$38,319,449</u> | <u>\$10,504,808</u> | <u>\$10,124,145</u> | <u>\$48,260,027</u> | <u>\$48,443,594</u> |

Governmental Activities

Governmental activities decreased the City's net assets from \$38,319,449 to \$37,755,219 or by the amount of \$564,230. The primary reason for the decrease in net assets relates to the decrease in revenues from municipal investment income and increased costs for road salt purchases and snow removal (Transportation). Several types of revenues fund our governmental activities, with the City income tax being the largest contributor.

Revenues by Source - Governmental Activities



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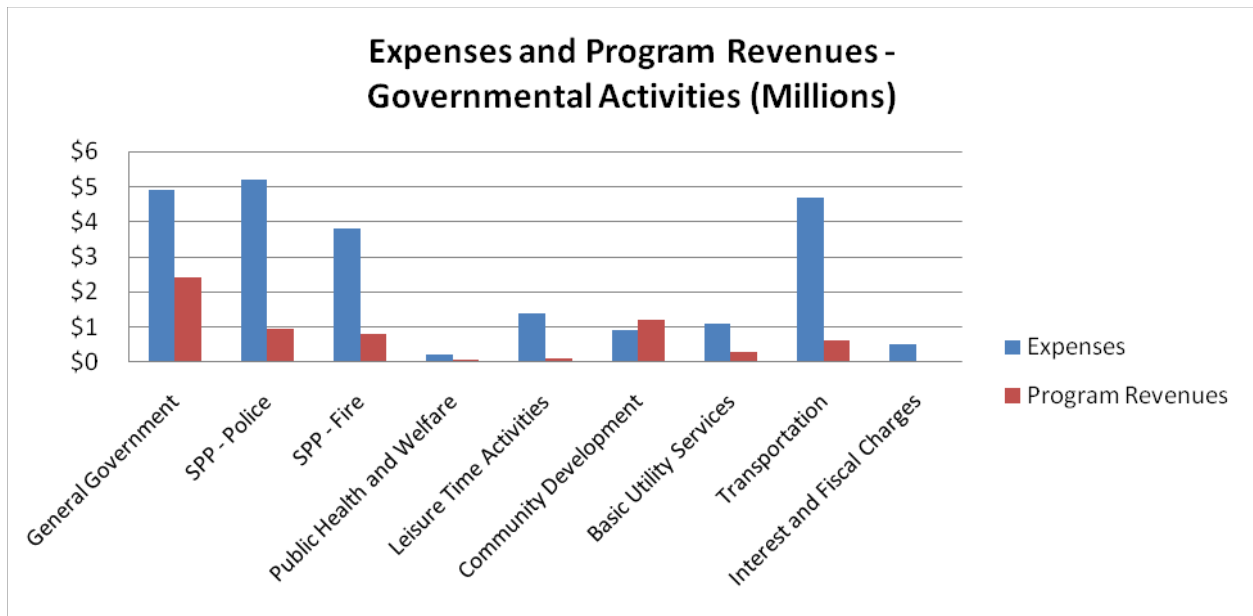
The income tax rate was 2.25 percent for 2010, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if Bedford residents work in another locality that has a municipal income tax, the City provides up to 100 percent credit to a limit of 1.50 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to reduce that income tax credit and create additional revenues for the City.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations.

Decreases in various program expenses were the result of non replacement of eleven employees leaving service as well as one layoff of a police officer. Most other expenses closely parallel inflation and growth in the demand for services. Increases were caused by contracted wage increases along with the related pension costs and employee hospitalization costs.

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2010, \$9,003,137 was spent or 39.69 percent of program expenses related to security of persons and property as similarly to 2009, when \$8,957,616 was spent or 39.97 percent. Due to the hiring freeze in 2009, three police officers retired were not replaced and one officer was laid off. There was a decrease in the Fire Department expenses and this can be attributed to the department staffing two less employees in 2009.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winter was hard in 2010 and 2009 which accounted for the higher spending on salt and more road repairs under the transportation expense type. The City maintains salt funding for two major winter storms at all times.



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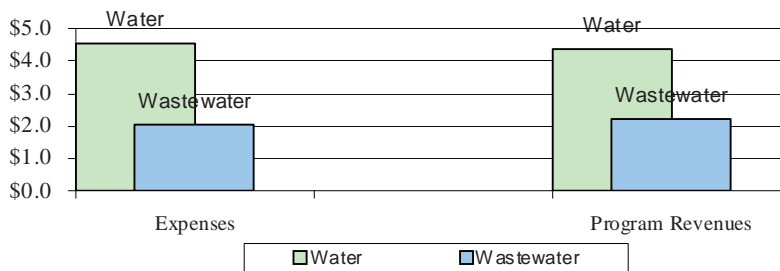
Business-Type Activities

The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net assets by \$380,663. Program revenues were less than program expenses in the amount of \$161,638 for the water operations in 2010. This decrease in net assets is due to a major waterline break in 2010 and a loss of billable consumption of water for two months. The statistical schedule S52 & S53 identified that there was a major leak and we hired a vendor to find the leak and it was very successful in stopping further losses immediately. There are more delinquencies due to foreclosures in water billings in 2010. This revenue is classified as charges for services. The water rate increases of 4.88, 10.79, 10.91, 3.00 and 3.0 percent went into effect 2007, 2008, 2009, 2010 and in 2011 respectively.

The City buys its water from the City of Cleveland and resells this water to the public. Therefore, any loss of water from various leaks resulted in a drop in billed consumption, and thus resulted in the City not receiving the full increases in charges for services.

Program revenues were more than program expenses in the amount of \$145,921 for the wastewater operations for 2010. An increase in wastewater rates was placed into effect in 2009 and 2010 at 4 percent each year and created this increase in revenue. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels of non-payment. A 4 percent wastewater rate increase in 2009 and 2010 was necessary to replenish the fund's operation costs. Total program revenues for wastewater operations recorded in 2010 were \$2,196,959 versus \$2,116,968 in 2009.

EXPENSES AND PROGRAM REVENUES
(in millions)



Financial Analysis of the Government's Funds

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

Governmental Funds

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

All governmental funds had total revenues of \$21,807,797 in 2010 and \$18,638,775 in 2009, and total expenditures of \$22,576,928 in 2010 and \$20,827,578 in 2009 leaving a difference of expenditures over revenues of (769,131) and (\$2,188,803) respectively. The most significant change in our funds from 2010 to

City of Bedford, Ohio
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2009 was the increase in property tax revenue of \$1,862,763. The reasons for this increase on a modified accrual basis of accounting were discussed earlier. The main decrease in expenses was in capital outlay in 2010 the amount was increased by \$1,306,936. This was due to more projects performed in 2010 with Community Development Block Grant funds and the infrastructure street improvements from the GO bond issue proceeds. Capital outlay increased in 2010 as the City is leveraging its costs of \$305,632 on the engineering of the Rockside Road resurfacing project. The State has agreed to pay the full construction costs of over \$3,900,000 towards the project. The City has applied for and received a State of Ohio Issue II grant representing one-half of the engineering costs \$152,816 (\$305,632 times 50 percent) of this project. The remaining 50 percent of engineering expenses are shared by the Cities of Maple Heights and Bedford Heights proportionately

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$9,173,808 compared to \$8,665,215 in 2009 of which \$8,974,991 in 2010 was unassigned at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balances to total fund expenditures including transfers out. The 2010 unassigned fund balance represents 63.01 percent of total general fund expenditures and transfers out, while total fund balances represents 64.41 percent. The unassigned fund balance will cover 230 days of City general fund expenditures. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund increased by \$508,593. The increase in the general fund balance is due to the Safety levy passed for collection in 2010. This reduced expenditures in the general fund while adding a new revenue source to pay the public safety costs in its own fund. The income tax revenue in the general fund for 2010 was \$8,162,205 and was \$7,901,941 in 2009. The transfers out of \$3,710,947 in 2010, was more than the \$3,214,833 in 2009. These transfers are identified in Note 10 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2010 was \$241,776 and \$278,583 in 2009. This fund accounts for the City's police and fire departments. The general fund transferred funds to cover the costs of other operations and capital project costs in 2010.

Other governmental funds had an increase in fund balance due to the ARRA CDBG Grants in 2010, and the GO bonded debt issued to increase the capital outlay and resources of the City. The City continues to maximize income tax and grant money to provide the citizens with a dynamic place to call home.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2010, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the whole Council for Ordinance enactment on the changes. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our service department, and the municipal court activities, as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

The general fund's, original budgeted revenues were \$15,602,460. The final budgeted revenue amount was \$15,481,460. The general fund's original appropriations were budgeted at \$12,170,100. The final budgeted appropriations were \$12,167,614. The City of Bedford's ending unencumbered cash balance in the general fund was \$976,308 above the final budgeted amount.

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

- ❑ The most significant change was the decrease in municipal income tax collections. This revenue source decreased due to the largest taxpayer reduced net profits in 2010, thereby reducing the budgeted revenues for 2010.
- ❑ The police (non-officer) department left unspent \$202,177 (11.43 percent) in anticipated expenditures in 2010.
- ❑ The service department had unspent \$156,011 (8.89 percent) of expenditures versus final budgeted amounts.
- ❑ The transfers out to other funds had unspent \$60,333 (1.6 percent) of expenditures versus final budgeted amounts due to less money being needed to support programs in other funds.

Actual expenditures were \$1,407,550 less than appropriations due mainly to the diligence of management to keep costs low.

Capital Assets and Debt Administration

Capital Assets

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

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | \$2,908,079 | \$2,908,079 | \$28,620 | \$28,620 | \$2,936,699 | \$2,936,699 |
| Construction in Progress | 37,319 | 370,041 | 436,367 | 0 | 473,686 | 370,041 |
| Buildings and Improvements | 14,345,695 | 14,981,587 | 6,679,317 | 6,866,762 | 21,025,012 | 21,848,349 |
| Machinery and Equipment | 1,102,997 | 1,213,015 | 157,655 | 152,522 | 1,260,652 | 1,365,537 |
| Furniture and Fixtures | 119,172 | 133,734 | 0 | 0 | 119,172 | 133,734 |
| Vehicles | 1,072,929 | 1,205,952 | 222,389 | 170,489 | 1,295,318 | 1,376,441 |
| Infrastructure | 14,917,716 | 14,487,820 | 6,195,455 | 6,302,389 | 21,113,171 | 20,790,209 |
| Total | \$34,503,907 | \$35,300,228 | \$13,719,803 | \$13,520,782 | \$48,223,710 | \$48,821,010 |

Total governmental capital assets decreased \$796,321 in 2010. Decreases in many capital asset categories occurred in 2010 mostly due to depreciation expense and the disposal of \$1,260,516 in governmental capital assets. Buildings and improvements and roads had the largest portion of disposals of assets in the governmental type activities. The City had additions to capital assets by issuing bonds in 2010, improving roads and purchasing vehicles.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding facilities to complement our current structures. Additional information concerning the City's capital assets can be found in Note 11 to the basic financial statements.

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Debt

(Table 4)
 Outstanding Long-term Obligations at Year End

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| General Obligation Bonds | \$11,963,792 | \$10,341,088 | \$4,652,674 | \$1,919,316 | \$16,616,466 | \$12,260,404 |
| Special Assessment Bonds | 310,000 | 370,000 | 0 | 0 | 310,000 | 370,000 |
| OPWC Loans | 337,199 | 385,388 | 1,168,124 | 1,243,418 | 1,505,323 | 1,628,806 |
| OWDA Loans | 0 | 0 | 3,977,893 | 4,729,073 | 3,977,893 | 4,729,073 |
| Police Pension | 185,871 | 190,131 | 0 | 0 | 185,871 | 190,131 |
| Capital Leases | 22,845 | 31,102 | 0 | 0 | 22,845 | 31,102 |
| Compensated Absences | 1,397,189 | 1,389,974 | 122,456 | 149,267 | 1,519,645 | 1,539,241 |
| Total | \$14,216,896 | \$12,707,683 | \$9,921,147 | \$8,041,074 | \$24,138,043 | \$20,748,757 |

The general obligation bonds are composed of the 2010 Various Purpose G.O. bonds, Series A (Tax-Exempt) and Various Purpose Bonds, Series B (Federally Taxable-Build America Bonds- Direct Payment) issued in the amount of \$5,090,000. This bond issue's purpose was stated earlier in this report in the Letter of Transmittal. Prior to this 2010 issue, The City's last bond issue was the 2006 advanced refunding issue for the following purposes: (1) a Municipal Complex Court bond issued in 2002 and repaid from court fees and the one-fourth of a percent increase in municipal income tax rate voted in by the public in 1999; (2) the 2002 Municipal Complex Improvement – this issue is also repaid from the one-fourth of a percent income tax increase; and (3) the 1999 Municipal Complex Improvement - this issue is also repaid from the one fourth of a percent income tax increase.

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

There are three OPWC loans that are being paid semi-annually from the debt service fund and funded by general fund revenues. These three loans are zero interest 20-year loans for the 2010 Broadway/Wood Creek Bridge/Culvert, the Willard and Wandle Avenue street rehabilitation projects.

The police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2010 the balance was \$185,871.

The Business-type debt consisted of the following:

The general obligation bonds are composed of the 2010 Water (\$1,625,000) and Wastewater (\$1,320,000) improvements, this new issue is to be repaid from the water rates and water bill collections; the 2006 advance refunding issue of the (1) a sewer improvement bond issued in 2002; (2) the refunding bonds issued in 2002 to pay off the water system mortgage revenue bonds outstanding from the 1991 issue; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. This new issue is to be repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington street, Tinkers Creek Commerce Park and

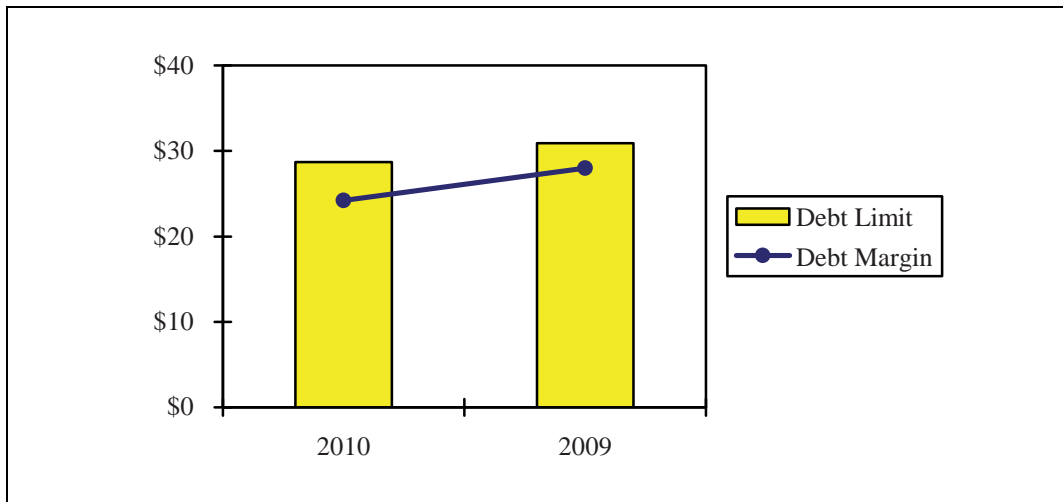
City of Bedford, Ohio
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Forbes Road water line. The amount of \$646,000 out of the \$1,900,000 2006 new money issue was for these water lines.

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

Most of the City's wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has two of these types of loans outstanding at year end. The OWDA loans outstanding are for the following purposes: the 1993 various wastewater plant improvements (\$2,381,942 outstanding) and the 2003 Rapid Sandfilter Improvement (\$1,780,349 outstanding). These loans are for 20 years at 4.80 percent and 3.9 percent respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin decreased to \$23.9 million. This is the additional amount of debt the City could issue. The legal debt margin decreased \$4.1 million from 2009 to 2010 due to decreasing property valuations offset by the City paying down current debt.



The City continues to monitor its outstanding debt. Information relative to debt is identified in Note 13 to the basic financial statements.

Current Financial Related Activities

The City of Bedford has continued to maintain the highest standards of services to our citizens while diligently planning expenses, to stay within the City's revenues. As with all cities in the State of Ohio, State funding issues are constantly monitored to determine the impact on the City. As the preceding information shows, the City is heavily reliant on income and property taxpayers. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies. All of the City's financial abilities will be needed to meet the challenges of the future.

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The City of Bedford is financially strong as evidenced by Moody's Investors Service's April 26 2010 recalibration of our A1 rating now placed at a Aa2 and was reaffirmed by this agency and assigned a rating again of Aa2 on August 18, 2010 as the City issued the Various Purpose Bonds, Series A (Tax-Exempt Bonds) and Various Purpose Bonds, Series B (Federally Taxable-Build America Bonds- Direct Payment). On August 19, 2010 Standard and Poor's raised its long-term and underlying rating (SPUR) on the City of Bedford's GO Bonds to AA from AA- in 2006. This rating was as quoted by Standard & Poor's Ratings Services "based on the maintenance of general fund reserves that we considered very strong, supported by a strong Financial Management Assessment (FMA)". Other Factors supporting the ratings were:

- The City's status as a mature community with access to employment throughout the Cleveland, Ohio region;
- Several larger employers located in the City that support the income and property tax base;
- A range of income and tax base indicators that are adequate to strong, in their opinion; and
- Debt levels that we consider being low.

In conclusion, the City of Bedford along with many other cities in Ohio, have been facing both significant challenges and opportunities. Management has performed well in adjusting to the State cuts in revenue, and is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

Contacting the City's Finance Department

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

City of Bedford, Ohio

Statement of Net Assets

December 31, 2010

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$12,900,896 | \$6,202,421 | \$19,103,317 |
| Cash and Cash Equivalents with Fiscal Agents | 74,318 | 19,770 | 94,088 |
| Accounts Receivable | 65,477 | 1,236,926 | 1,302,403 |
| Accrued Interest Receivable | 17,416 | 0 | 17,416 |
| Intergovernmental Receivable | 1,726,735 | 0 | 1,726,735 |
| Internal Balances | (2,662) | 2,662 | 0 |
| Income Taxes Receivable | 2,397,109 | 0 | 2,397,109 |
| Materials and Supplies Inventory | 133,972 | 190,390 | 324,362 |
| Prepaid Items | 12,819 | 0 | 12,819 |
| Loans Receivable | 75,000 | 0 | 75,000 |
| Property Taxes Receivable | 5,636,150 | 0 | 5,636,150 |
| Special Assessments Receivable | 992,629 | 0 | 992,629 |
| Unamortized Bond Issuance Costs | 241,717 | 181,756 | 423,473 |
| Assets Held for Resale | 933,237 | 0 | 933,237 |
| Nondepreciable Capital Assets | 2,945,398 | 464,987 | 3,410,385 |
| Depreciable Capital Assets, Net | 31,558,509 | 13,254,816 | 44,813,325 |
| <i>Total Assets</i> | <u>59,708,720</u> | <u>21,553,728</u> | <u>81,262,448</u> |
| Liabilities | | | |
| Accounts Payable | 339,972 | 833,529 | 1,173,501 |
| Accrued Wages | 348,233 | 40,395 | 388,628 |
| Intergovernmental Payable | 500,435 | 34,133 | 534,568 |
| Vacation Benefits Payable | 718,297 | 86,208 | 804,505 |
| Claims Payable | 141,647 | 0 | 141,647 |
| Deferred Revenue | 5,567,202 | 0 | 5,567,202 |
| Retainage Payable | 74,318 | 19,770 | 94,088 |
| Accrued Interest Payable | 46,501 | 113,738 | 160,239 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,121,118 | 1,205,146 | 2,326,264 |
| Due In More Than One Year | 13,095,778 | 8,716,001 | 21,811,779 |
| <i>Total Liabilities</i> | <u>21,953,501</u> | <u>11,048,920</u> | <u>33,002,421</u> |
| Net Assets | | | |
| Invested in Capital Assets, Net of Related Debt | 22,729,591 | 4,122,051 | 26,851,642 |
| Restricted for: | | | |
| Debt Service | 533,106 | 0 | 533,106 |
| Municipal Courts | 746,043 | 0 | 746,043 |
| Streets | 1,125,705 | 0 | 1,125,705 |
| Community Development | 535,619 | 0 | 535,619 |
| Street Lighting | 585,951 | 0 | 585,951 |
| Other Purposes | 621,179 | 0 | 621,179 |
| Unrestricted | 10,878,025 | 6,382,757 | 17,260,782 |
| <i>Total Net Assets</i> | <u>\$37,755,219</u> | <u>\$10,504,808</u> | <u>\$48,260,027</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2010

| | Program Revenues | | | |
|---------------------------------------|---------------------|--|---------------------------------------|-----------------|
| | Expenses | Charges for Services and Operating Assessments | Operating Grants and Contributions | |
| Governmental Activities | | | | |
| General Government | \$4,908,785 | \$1,858,638 | \$475,317 | \$0 |
| Security of Persons and Property | | | | |
| Police | 5,247,617 | 60,445 | 891,928 | 0 |
| Fire | 3,755,520 | 380,753 | 423,286 | 0 |
| Public Health and Welfare | 177,865 | 42,651 | 34,725 | 0 |
| Leisure Time Activities | 1,391,675 | 119,801 | 14,635 | 0 |
| Community Development | 949,599 | 272,543 | 853,331 | 0 |
| Basic Utility Services | 1,054,778 | 292,043 | 5,898 | 0 |
| Transportation | 4,685,770 | 0 | 618,478 | 24,856 |
| Interest and Fiscal Charges | 509,591 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>22,681,200</u> | <u>3,026,874</u> | <u>3,317,598</u> | <u>24,856</u> |
| Business-Type Activities | | | | |
| Water | 4,515,808 | 4,354,170 | 0 | 0 |
| Wastewater | 2,051,038 | 2,196,959 | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>6,566,846</u> | <u>6,551,129</u> | <u>0</u> | <u>0</u> |
| <i>Total</i> | <u>\$29,248,046</u> | <u>\$9,578,003</u> | <u>\$3,317,598</u> | <u>\$24,856</u> |

General Revenues

Property Taxes Levied for:

 General Purposes

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

 Wastewater

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|---------------------|
| (\$2,574,830) | \$0 | (\$2,574,830) |
| (4,295,244) | 0 | (4,295,244) |
| (2,951,481) | 0 | (2,951,481) |
| (100,489) | 0 | (100,489) |
| (1,257,239) | 0 | (1,257,239) |
| 176,275 | 0 | 176,275 |
| (756,837) | 0 | (756,837) |
| (4,042,436) | 0 | (4,042,436) |
| (509,591) | 0 | (509,591) |
| <u>(16,311,872)</u> | <u>0</u> | <u>(16,311,872)</u> |
| 0 | (161,638) | (161,638) |
| <u>0</u> | <u>145,921</u> | <u>145,921</u> |
| 0 | (15,717) | (15,717) |
| <u>(16,311,872)</u> | <u>(15,717)</u> | <u>(16,327,589)</u> |
| 2,306,766 | 0 | 2,306,766 |
| 3,016,795 | 0 | 3,016,795 |
| 8,145,582 | 0 | 8,145,582 |
| 657,234 | 0 | 657,234 |
| 0 | 276,601 | 276,601 |
| 1,406,412 | 0 | 1,406,412 |
| 37,698 | 31,346 | 69,044 |
| 4,957 | 21,696 | 26,653 |
| 172,198 | 66,737 | 238,935 |
| <u>15,747,642</u> | <u>396,380</u> | <u>16,144,022</u> |
| (564,230) | 380,663 | (183,567) |
| <u>38,319,449</u> | <u>10,124,145</u> | <u>48,443,594</u> |
| <u>\$37,755,219</u> | <u>\$10,504,808</u> | <u>\$48,260,027</u> |

City of Bedford, Ohio

Balance Sheet

Governmental Funds

December 31, 2010

| | General | Public Safety | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$7,449,687 | \$745,155 | \$4,305,614 | \$12,500,456 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 74,318 | 74,318 |
| Property Taxes Receivable | 2,441,489 | 3,194,661 | 0 | 5,636,150 |
| Income Taxes Receivable | 2,397,109 | 0 | 0 | 2,397,109 |
| Accounts Receivable | 65,477 | 0 | 0 | 65,477 |
| Intergovernmental Receivable | 626,087 | 180,227 | 920,421 | 1,726,735 |
| Interfund Receivable | 1,130,000 | 0 | 0 | 1,130,000 |
| Accrued Interest Receivable | 17,416 | 0 | 0 | 17,416 |
| Materials and Supplies Inventory | 128,175 | 5,797 | 0 | 133,972 |
| Prepaid Items | 12,819 | 0 | 0 | 12,819 |
| Loans Receivable | 0 | 0 | 75,000 | 75,000 |
| Special Assessments Receivable | 121,999 | 0 | 870,630 | 992,629 |
| Assets Held for Resale | 0 | 0 | 933,237 | 933,237 |
| <i>Total Assets</i> | <u>\$14,390,258</u> | <u>\$4,125,840</u> | <u>\$7,179,220</u> | <u>\$25,695,318</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$111,804 | \$3,031 | \$225,137 | \$339,972 |
| Accrued Wages | 170,364 | 172,488 | 5,381 | 348,233 |
| Intergovernmental Payable | 160,943 | 333,657 | 5,835 | 500,435 |
| Claims Payable | 45 | 0 | 0 | 45 |
| Interfund Payable | 0 | 0 | 1,130,000 | 1,130,000 |
| Retainage Payable | 0 | 0 | 74,318 | 74,318 |
| Deferred Revenue | 4,773,294 | 3,374,888 | 1,381,149 | 9,529,331 |
| <i>Total Liabilities</i> | <u>5,216,450</u> | <u>3,884,064</u> | <u>2,821,820</u> | <u>11,922,334</u> |
| Fund Balances | | | | |
| Nonspendable | 140,994 | 5,797 | 93,006 | 239,797 |
| Restricted | 0 | 235,979 | 3,493,822 | 3,729,801 |
| Committed | 12,216 | 0 | 80,540 | 92,756 |
| Assigned | 45,607 | 0 | 690,032 | 735,639 |
| Unassigned | 8,974,991 | 0 | 0 | 8,974,991 |
| <i>Total Fund Balances</i> | <u>9,173,808</u> | <u>241,776</u> | <u>4,357,400</u> | <u>13,772,984</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$14,390,258</u> | <u>\$4,125,840</u> | <u>\$7,179,220</u> | <u>\$25,695,318</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010*

Total Governmental Fund Balances \$13,772,984

*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 34,503,907

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

| | |
|---------------------|----------------|
| Property Taxes | \$362,948 |
| Income Taxes | 1,687,207 |
| Special Assessments | 992,629 |
| Intergovernmental | <u>919,345</u> |

Total 3,962,129

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

| | |
|-------------------|----------------|
| Net Assets | 258,838 |
| Internal Balances | <u>(2,662)</u> |

Total 256,176

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 241,717

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (46,501)

Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds. (718,297)

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

| | |
|--------------------------|--------------------|
| General Obligation Bonds | (11,963,792) |
| Special Assessment Bonds | (310,000) |
| OPWC Loans | (337,199) |
| Police Liability | (185,871) |
| Capital Leases | (22,845) |
| Compensated Absences | <u>(1,397,189)</u> |

Total (14,216,896)

Net Assets of Governmental Activities \$37,755,219

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

| | General | Public Safety | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Property Taxes | \$2,242,109 | \$2,932,212 | \$0 | \$5,174,321 |
| Municipal Income Taxes | 8,162,205 | 0 | 657,234 | 8,819,439 |
| Charges for Services | 747,357 | 0 | 775 | 748,132 |
| Fees, Licenses and Permits | 211,037 | 79 | 0 | 211,116 |
| Fines and Forfeitures | 1,424,293 | 0 | 271,477 | 1,695,770 |
| Intergovernmental | 1,902,432 | 462,906 | 2,090,062 | 4,455,400 |
| Special Assessments | 0 | 0 | 416,092 | 416,092 |
| Contributions and Donations | 0 | 0 | 83,320 | 83,320 |
| Interest | 3,605 | 4,126 | 25,678 | 33,409 |
| Rentals | 24,090 | 0 | 0 | 24,090 |
| Other | 30,039 | 26 | 116,643 | 146,708 |
| <i>Total Revenues</i> | <u>14,747,167</u> | <u>3,399,349</u> | <u>3,661,281</u> | <u>21,807,797</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 4,420,314 | 0 | 11,687 | 4,432,001 |
| Security of Persons and Property: | | | | |
| Police | 1,395,211 | 3,071,272 | 614,713 | 5,081,196 |
| Fire | 187,715 | 3,434,261 | 15,524 | 3,637,500 |
| Public Health and Welfare | 159,826 | 0 | 15,980 | 175,806 |
| Leisure Time Activities | 1,677,885 | 0 | 8,344 | 1,686,229 |
| Community Development | 668,849 | 0 | 586,558 | 1,255,407 |
| Basic Utility Services | 699,079 | 0 | 355,699 | 1,054,778 |
| Transportation | 1,300,586 | 0 | 899,802 | 2,200,388 |
| Capital Outlay | 0 | 0 | 1,841,744 | 1,841,744 |
| Debt Service: | | | | |
| Principal Retirement | 16,092 | 0 | 674,389 | 690,481 |
| Interest and Fiscal Charges | 8,084 | 0 | 458,114 | 466,198 |
| Bond Issuance Costs | 0 | 0 | 55,200 | 55,200 |
| <i>Total Expenditures</i> | <u>10,533,641</u> | <u>6,505,533</u> | <u>5,537,754</u> | <u>22,576,928</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>4,213,526</u> | <u>(3,106,184)</u> | <u>(1,876,473)</u> | <u>(769,131)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 2,439 | 0 | 1,948 | 4,387 |
| General Obligation Bonds Issued | 0 | 0 | 2,145,000 | 2,145,000 |
| Premium on Bonds | 0 | 0 | 23,710 | 23,710 |
| Inception of Capital Lease | 3,575 | 0 | 0 | 3,575 |
| Transfers In | 0 | 3,069,377 | 788,675 | 3,858,052 |
| Transfers Out | (3,710,947) | 0 | (147,105) | (3,858,052) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(3,704,933)</u> | <u>3,069,377</u> | <u>2,812,228</u> | <u>2,176,672</u> |
| <i>Net Change in Fund Balances</i> | 508,593 | (36,807) | 935,755 | 1,407,541 |
| <i>Fund Balances Beginning of Year</i> | <u>8,665,215</u> | <u>278,583</u> | <u>3,421,645</u> | <u>12,365,443</u> |
| <i>Fund Balances End of Year</i> | <u>\$9,173,808</u> | <u>\$241,776</u> | <u>\$4,357,400</u> | <u>\$13,772,984</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010*

Net Change in Fund Balances - Total Governmental Funds \$1,407,541

Amounts reported for governmental activities in the statement of activities are different because

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

| | | |
|----------------|-------------|-----------|
| Capital Outlay | \$2,157,525 | |
| Depreciation | (2,694,294) | |
| Total | | (536,769) |

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (259,552)

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

| | | |
|----------------------|----------|---------|
| Property Taxes | 149,240 | |
| Income Taxes | (16,623) | |
| Charges for Services | (66,276) | |
| Special Assessments | (2,050) | |
| Intergovernmental | 210,146 | |
| Total | | 274,437 |

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities.

| | | |
|---------------------------------|-------------|-------------|
| General Obligation Bonds Issued | (2,145,000) | |
| Premium on Bonds Issued | (23,710) | |
| Inception of Capital Lease | (3,575) | |
| Total | | (2,172,285) |

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 690,481

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 55,200

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

| | | |
|-----------------------------------|----------|----------|
| Accrued Interest on Bonds | (6,305) | |
| Amortization of Premium | 3,652 | |
| Amortization of Discount | (2,589) | |
| Amortization of Loss on Refunding | (21,257) | |
| Amortization of Issuance Costs | (16,894) | |
| Total | | (43,393) |

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

| | | |
|---------------------------|---------|---------|
| Compensated Absences | (7,215) | |
| Vacation Benefits Payable | (1,983) | |
| Total | | (9,198) |

The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated.

The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.

| | | |
|----------------------------|--------|--------|
| Change in Net Assets | 29,197 | |
| Change in Internal Balance | 111 | |
| Total | | 29,308 |

Change in Net Assets of Governmental Activities (\$564,230)

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,318,195 | \$2,318,195 | \$2,242,109 | (\$76,086) |
| Municipal Income Taxes | 8,508,240 | 8,508,240 | 8,284,517 | (223,723) |
| Charges for Services | 786,980 | 801,980 | 747,622 | (54,358) |
| Fees, Licenses and Permits | 229,025 | 243,025 | 214,858 | (28,167) |
| Fines and Forfeitures | 1,540,980 | 1,540,980 | 1,492,097 | (48,883) |
| Intergovernmental | 2,010,190 | 1,910,190 | 1,991,294 | 81,104 |
| Interest | 172,000 | 122,000 | 10,748 | (111,252) |
| Rentals | 17,700 | 17,700 | 25,280 | 7,580 |
| Other | 19,150 | 19,150 | 6,421 | (12,729) |
| <i>Total Revenues</i> | 15,602,460 | 15,481,460 | 15,014,946 | (466,514) |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 5,060,472 | 5,065,972 | 4,490,081 | 575,891 |
| Security of Persons and Property: | | | | |
| Police | 1,754,516 | 1,769,515 | 1,567,338 | 202,177 |
| Fire | 255,080 | 255,080 | 195,460 | 59,620 |
| Public Health and Welfare | 182,230 | 182,230 | 159,695 | 22,535 |
| Leisure Time Activities | 1,542,516 | 1,584,249 | 1,305,310 | 278,939 |
| Community Development | 797,280 | 798,062 | 739,053 | 59,009 |
| Basic Utility Services | 827,458 | 757,458 | 704,090 | 53,368 |
| Transportation | 1,750,548 | 1,755,048 | 1,599,037 | 156,011 |
| <i>Total Expenditures</i> | 12,170,100 | 12,167,614 | 10,760,064 | 1,407,550 |
| <i>Excess of Revenues Over Expenditures</i> | 3,432,360 | 3,313,846 | 4,254,882 | 941,036 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 27,500 | 27,500 | 2,439 | (25,061) |
| Advances In | 0 | 580,000 | 280,000 | (300,000) |
| Advances Out | 0 | (894,937) | (594,937) | 300,000 |
| Transfers Out | (3,607,710) | (3,771,280) | (3,710,947) | 60,333 |
| <i>Total Other Financing Sources (Uses)</i> | (3,580,210) | (4,058,717) | (4,023,445) | 35,272 |
| <i>Net Change in Fund Balance</i> | (147,850) | (744,871) | 231,437 | 976,308 |
| <i>Fund Balance Beginning of Year</i> | 7,020,071 | 7,020,071 | 7,020,071 | 0 |
| Prior Year Encumbrances Appropriated | 76,344 | 76,344 | 76,344 | 0 |
| <i>Fund Balance End of Year</i> | \$6,948,565 | \$6,351,544 | \$7,327,852 | \$976,308 |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,959,348 | \$2,959,348 | \$2,932,212 | (\$27,136) |
| Fees, Licenses and Permits | 2,510 | 2,510 | 79 | (2,431) |
| Intergovernmental | 455,346 | 466,150 | 462,906 | (3,244) |
| Interest | 13,000 | 13,000 | 4,126 | (8,874) |
| Other | 500 | 500 | 26 | (474) |
| <i>Total Revenues</i> | 3,430,704 | 3,441,508 | 3,399,349 | (42,159) |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police | 2,928,825 | 2,982,266 | 2,941,156 | 41,110 |
| Fire | 3,682,222 | 3,769,222 | 3,441,885 | 327,337 |
| <i>Total Expenditures</i> | 6,611,047 | 6,751,488 | 6,383,041 | 368,447 |
| <i>Excess of Revenues Under Expenditures</i> | (3,180,343) | (3,309,980) | (2,983,692) | 326,288 |
| Other Financing Sources | | | | |
| Transfers In | 3,129,710 | 3,129,710 | 3,069,377 | (60,333) |
| <i>Net Change in Fund Balance</i> | (50,633) | (180,270) | 85,685 | 265,955 |
| <i>Fund Balance Beginning of Year</i> | 633,949 | 633,949 | 633,949 | 0 |
| Prior Year Encumbrances Appropriated | 25,337 | 25,337 | 25,337 | 0 |
| <i>Fund Balance End of Year</i> | \$608,653 | \$479,016 | \$744,971 | \$265,955 |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

| | Enterprise | | | Internal Service |
|---|--------------------|--------------------|-------------------|---------------------|
| | Water | Wastewater | Total | |
| Assets | | | | |
| <i>Current Assets</i> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,346,606 | \$2,855,815 | \$6,202,421 | \$400,440 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | | | | |
| with Fiscal Agents | 19,770 | 0 | 19,770 | 0 |
| Accounts Receivable | 804,186 | 432,740 | 1,236,926 | 0 |
| Materials and Supplies Inventory | 143,106 | 47,284 | 190,390 | 0 |
| <i>Total Current Assets</i> | <u>4,313,668</u> | <u>3,335,839</u> | <u>7,649,507</u> | <u>400,440</u> |
| <i>Noncurrent Assets</i> | | | | |
| Unamortized Bond Issuance Costs | 108,893 | 72,863 | 181,756 | 0 |
| Nondepreciable Capital Assets | 376,205 | 88,782 | 464,987 | 0 |
| Depreciable Capital Assets, Net | 3,993,568 | 9,261,248 | 13,254,816 | 0 |
| <i>Total Noncurrent Assets</i> | <u>4,478,666</u> | <u>9,422,893</u> | <u>13,901,559</u> | <u>0</u> |
| <i>Total Assets</i> | <u>8,792,334</u> | <u>12,758,732</u> | <u>21,551,066</u> | <u>400,440</u> |
| Liabilities | | | | |
| <i>Current Liabilities</i> | | | | |
| Accounts Payable | 710,040 | 123,489 | 833,529 | 0 |
| Accrued Wages | 15,217 | 25,178 | 40,395 | 0 |
| Intergovernmental Payable | 12,720 | 21,413 | 34,133 | 0 |
| Retainage Payable | 19,770 | 0 | 19,770 | 0 |
| Vacation Benefits Payable | 30,356 | 55,852 | 86,208 | 0 |
| Compensated Absences Payable | 1,256 | 14,033 | 15,289 | 0 |
| Accrued Interest Payable | 12,873 | 100,865 | 113,738 | 0 |
| General Obligation Bonds Payable | 210,500 | 40,000 | 250,500 | 0 |
| OPWC Loans Payable | 20,000 | 55,294 | 75,294 | 0 |
| OWDA Loans Payable | 0 | 864,063 | 864,063 | 0 |
| Claims Payable | 0 | 0 | 0 | 141,602 |
| <i>Total Current Liabilities</i> | <u>1,032,732</u> | <u>1,300,187</u> | <u>2,332,919</u> | <u>141,602</u> |
| <i>Long-Term Liabilities (net of current portion)</i> | | | | |
| Compensated Absences Payable | 48,691 | 58,476 | 107,167 | 0 |
| General Obligation Bonds Payable | 2,600,224 | 1,801,950 | 4,402,174 | 0 |
| OPWC Loans Payable | 350,000 | 742,830 | 1,092,830 | 0 |
| OWDA Loans Payable | 0 | 3,113,830 | 3,113,830 | 0 |
| <i>Total Long-Term Liabilities</i> | <u>2,998,915</u> | <u>5,717,086</u> | <u>8,716,001</u> | <u>0</u> |
| <i>Total Liabilities</i> | <u>4,031,647</u> | <u>7,017,273</u> | <u>11,048,920</u> | <u>141,602</u> |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 1,309,500 | 2,812,551 | 4,122,051 | 0 |
| Unrestricted | 3,451,187 | 2,928,908 | 6,380,095 | 258,838 |
| <i>Total Net Assets</i> | <u>\$4,760,687</u> | <u>\$5,741,459</u> | <u>10,502,146</u> | <u>\$258,838</u> |

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

2,662

Net assets of business-type activities

\$10,504,808

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010*

| | Enterprise | | | Internal Service |
|--|--------------------|--------------------|------------------|---------------------|
| | Water | Wastewater | Total | |
| Operating Revenues | | | | |
| Charges for Services | \$4,354,170 | \$2,196,959 | \$6,551,129 | \$1,927,098 |
| Other | 66,737 | 0 | 66,737 | 26,060 |
| <i>Total Operating Revenues</i> | <u>4,420,907</u> | <u>2,196,959</u> | <u>6,617,866</u> | <u>1,953,158</u> |
| Operating Expenses | | | | |
| Personal Services | 568,324 | 957,037 | 1,525,361 | 0 |
| Contractual Services | 3,667,089 | 170,789 | 3,837,878 | 273,470 |
| Materials and Supplies | 42,011 | 277,079 | 319,090 | 0 |
| Depreciation | 105,465 | 303,211 | 408,676 | 0 |
| Claims | 0 | 0 | 0 | 1,654,780 |
| Other | 40,503 | 33,032 | 73,535 | 0 |
| <i>Total Operating Expenses</i> | <u>4,423,392</u> | <u>1,741,148</u> | <u>6,164,540</u> | <u>1,928,250</u> |
| <i>Operating Income (Loss)</i> | <u>(2,485)</u> | <u>455,811</u> | <u>453,326</u> | <u>24,908</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Interest | 18,153 | 13,193 | 31,346 | 4,289 |
| Municipal Income Taxes | 0 | 276,601 | 276,601 | 0 |
| Interest and Fiscal Charges | (92,376) | (309,819) | (402,195) | 0 |
| Gain on Sale of Capital Assets | 21,696 | 0 | 21,696 | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>(52,527)</u> | <u>(20,025)</u> | <u>(72,552)</u> | <u>4,289</u> |
| <i>Change in Net Assets</i> | <u>(55,012)</u> | <u>435,786</u> | <u>380,774</u> | <u>29,197</u> |
| <i>Net Assets Beginning of Year</i> | <u>4,815,699</u> | <u>5,305,673</u> | | <u>229,641</u> |
| <i>Net Assets End of Year</i> | <u>\$4,760,687</u> | <u>\$5,741,459</u> | | <u>\$258,838</u> |

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

| | |
|--|------------------|
| | <u>(111)</u> |
| Change in net assets of business-type activities | <u>\$380,663</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

| | Enterprise | | | Internal Service |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| | Water | Wastewater | Total | |
| Increase (Decrease) in Cash and Cash Equivalents | | | | |
| Cash Flows from Operating Activities | | | | |
| Cash Received from Customers | \$4,340,049 | \$2,186,017 | \$6,526,066 | \$0 |
| Cash Received from Interfund Services Provided | 0 | 0 | 0 | 1,928,701 |
| Other Cash Receipts | 66,737 | 0 | 66,737 | 0 |
| Cash Payments to Employees for Services | (575,346) | (979,895) | (1,555,241) | (274,718) |
| Cash Payments for Goods and Services | (3,329,222) | (349,893) | (3,679,115) | 0 |
| Cash Payments for Claims | 0 | 0 | 0 | (1,673,839) |
| Other Cash Payments | (40,503) | (33,032) | (73,535) | 26,060 |
| <i>Net Cash Provided by Operating Activities</i> | <u>461,715</u> | <u>823,197</u> | <u>1,284,912</u> | <u>6,204</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Cash Received from Municipal Income Taxes | <u>0</u> | <u>276,601</u> | <u>276,601</u> | <u>0</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Cash Received from Sale of Capital Assets | 21,696 | 0 | 21,696 | 0 |
| Proceeds from General Obligation Bonds | 1,625,000 | 1,320,000 | 2,945,000 | 0 |
| Premium from General Obligation Bonds | 8,268 | 6,889 | 15,157 | 0 |
| Principal Paid on General Obligation Notes | (203,800) | (30,000) | (233,800) | 0 |
| Interest Paid on General Obligation Notes | (55,933) | (24,902) | (80,835) | 0 |
| Principal Paid on OWDA Loans | 0 | (824,942) | (824,942) | 0 |
| Interest Paid on OWDA Loans | 0 | (211,169) | (211,169) | 0 |
| Principal Paid on OPWC Loans | (20,000) | (55,294) | (75,294) | 0 |
| Bond Issuance Costs | (37,540) | (31,282) | (68,822) | 0 |
| Payments for Capital Acquisitions | (488,375) | (119,322) | (607,697) | 0 |
| <i>Net Cash Provided by Capital and Related Financing Activities</i> | <u>849,316</u> | <u>29,978</u> | <u>879,294</u> | <u>0</u> |
| Cash Flows from Investing Activities | | | | |
| Interest on Investments | <u>18,153</u> | <u>13,193</u> | <u>31,346</u> | <u>4,289</u> |
| <i>Net Increase in Cash and Cash Equivalents</i> | 1,329,184 | 1,142,969 | 2,472,153 | 10,493 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>2,017,422</u> | <u>1,712,846</u> | <u>3,730,268</u> | <u>389,947</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u><u>\$3,346,606</u></u> | <u><u>\$2,855,815</u></u> | <u><u>\$6,202,421</u></u> | <u><u>\$400,440</u></u> |

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2010

| | Enterprise | | | Internal Service |
|---|------------------|------------------|--------------------|---------------------|
| | Water | Wastewater | Total | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | | |
| Operating Income (Loss) | (\$2,485) | \$455,811 | \$453,326 | \$24,908 |
| Adjustments: | | | | |
| Depreciation | 105,465 | 303,211 | 408,676 | 0 |
| (Increase) Decrease in Assets: | | | | |
| Accounts Receivable | (14,121) | (10,942) | (25,063) | 0 |
| Intergovernmental Receivable | 0 | 0 | 0 | 1,603 |
| Materials and Supplies Inventory | (40,537) | 14,111 | (26,426) | 0 |
| Increase (Decrease) in Liabilities: | | | | |
| Accounts Payable | 420,415 | 83,864 | 504,279 | (1,248) |
| Accrued Wages | 425 | 760 | 1,185 | 0 |
| Compensated Absences Payable | (5,705) | (21,106) | (26,811) | 0 |
| Vacation Benefits Payable | (858) | (1,124) | (1,982) | 0 |
| Intergovernmental Payable | (884) | (1,388) | (2,272) | 0 |
| Claims Payable | 0 | 0 | 0 | (19,059) |
| <i>Total Adjustments</i> | <u>464,200</u> | <u>367,386</u> | <u>831,586</u> | <u>(18,704)</u> |
| <i>Net Cash Provided by Operating Activities</i> | <u>\$461,715</u> | <u>\$823,197</u> | <u>\$1,284,912</u> | <u>\$6,204</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

| | |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$23 |
| Cash and Cash Equivalents in Segregated Accounts | <u>268,373</u> |
| <i>Total Assets</i> | <u><u>\$268,396</u></u> |
| | |
| Liabilities | |
| Deposits Held and Due to Others | <u><u>\$268,396</u></u> |

See accompanying notes to the basic financial statements

NOTES TO
BASIC
FINANCIAL
STATEMENTS





City of BEDFORD, Ohio

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 1 – Description of the City and 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 which operates under the Council-Manager form of government with the Council appointing the City Manager, Finance Director, Law Director and Clerk of Council. The legislative power of the City is vested in the seven-member Council.

Reporting Entity

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

Fund Accounting

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

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

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

Public Safety Fund The public safety special revenue fund accounts for the property tax revenue restricted for the police and fire departments, paramedic services and police and fire pension contributions and the long-term accounting liability.

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Pooled Cash and Cash Equivalents

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

The City utilizes a financial institution to service bonded construction payments as they come due. The balances in these accounts are presented on the statement of fund net assets as "cash and cash equivalents with fiscal agents."

During 2010, investments were limited to repurchase agreements, nonnegotiable certificates of deposit, money market account, municipal bonds, federal national mortgage association notes, federal home loan bank bonds and STAR Ohio, the State Treasurer's Investment Pool.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to \$3,605, of which \$31 was assigned from other funds.

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

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Assets Held for Resale

Assets held for resale represents assets consisting of homes purchased and repaired which will be resold under the Community Development in-fill housing project.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

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

Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Accrued Liabilities and Long-term Obligations

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

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

Net Assets

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

Net assets restricted for other purposes include security of persons and property through the police and fire departments and recreational activities. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. City Council has set a general fund minimum balance target at 15 percent of each respective year's general fund appropriations.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Operating Revenues and Expenses

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

Bond Issuance Costs

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

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs, which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Deferred Loss on Refunding

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

Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On fund financial statements, bond discounts are expended in the year the bonds are issued.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Extraordinary and Special Items

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

Estimates

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

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level and personal services and other for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. Authority to further allocate Council appropriations within departments has been given to the Director of Finance.

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

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

Note 3 – Changes in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets“. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

Note 4 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances | General Fund | Public Safety | Nonmajor Governmental Funds | Total |
|---------------------------|------------------|------------------|-----------------------------------|------------------|
| <u>Nonspendable:</u> | | | | |
| Loans Receivable | \$0 | \$0 | \$50,000 | \$50,000 |
| Prepays | 12,819 | 0 | 0 | 12,819 |
| Inventory | 128,175 | 5,797 | 0 | 133,972 |
| Cemetery Endowments | 0 | 0 | 43,006 | 43,006 |
| <i>Total Nonspendable</i> | <u>\$140,994</u> | <u>\$5,797</u> | <u>\$93,006</u> | <u>\$239,797</u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| Fund Balances | General Fund | Public Safety | Nonmajor Governmental Funds | Total |
|---|---------------------------|-------------------------|-----------------------------------|----------------------------|
| <u>Restricted for:</u> | | | | |
| Public Safety | \$0 | \$235,979 | \$23,761 | \$259,740 |
| Community Development | 0 | 0 | 521,745 | 521,745 |
| State Highway | 0 | 0 | 157,402 | 157,402 |
| Indigent Drivers | 0 | 0 | 119,565 | 119,565 |
| Seale Narcotics | 0 | 0 | 192,207 | 192,207 |
| Enforcement and Education | 0 | 0 | 585 | 585 |
| Street Lighting | 0 | 0 | 284,323 | 284,323 |
| Street Construction, Maintenance and Repair | 0 | 0 | 765,983 | 765,983 |
| Housing Rehabilitation | 0 | 0 | 13,874 | 13,874 |
| Municipal Court Special Programs | 0 | 0 | 746,043 | 746,043 |
| Indigent Interlock | 0 | 0 | 20,115 | 20,115 |
| Debt service payments | 0 | 0 | 62,375 | 62,375 |
| Capital Improvements | 0 | 0 | 363,904 | 363,904 |
| Other Purposes | 0 | 0 | 221,940 | 221,940 |
| <i>Total Restricted</i> | <u>0</u> | <u>235,979</u> | <u>3,493,822</u> | <u>3,729,801</u> |
| <u>Committed to:</u> | | | | |
| Capital Improvements | 0 | 0 | 80,540 | 80,540 |
| Other Purposes | 12,216 | 0 | 0 | 12,216 |
| <i>Total Committed</i> | <u>12,216</u> | <u>0</u> | <u>80,540</u> | <u>92,756</u> |
| <u>Assigned to:</u> | | | | |
| Capital Improvements | 0 | 0 | 690,032 | 690,032 |
| Other Purposes | 45,607 | 0 | 0 | 45,607 |
| <i>Total Assigned</i> | <u>45,607</u> | <u>0</u> | <u>690,032</u> | <u>735,639</u> |
| Unassigned | 8,974,991 | 0 | 0 | 8,974,991 |
| Total Fund Balances | <u><u>\$9,173,808</u></u> | <u><u>\$241,776</u></u> | <u><u>\$4,357,400</u></u> | <u><u>\$13,772,984</u></u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 5- Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

| | Net Change in Fund Balances | |
|---|---|------------------|
| | General and Public Safety Special Revenue Funds | |
| | General | Public Safety |
| GAAP Basis | \$508,593 | (\$36,807) |
| Net Adjustment for Revenue Accruals | 215,557 | 0 |
| Beginning Fair Value of Adjustments for Investments | (10,159) | 0 |
| Ending Fair Value of Adjustments for Investments | 64,074 | 0 |
| Beginning Unrecorded Cash | 113,486 | 0 |
| Ending Unrecorded Cash | (118,754) | 0 |
| Net Adjustment for Expenditure Accruals | (159,268) | 122,676 |
| Advances In | 280,000 | 0 |
| Advances Out | (594,937) | 0 |
| Encumbrances | (67,155) | (184) |
| Budget Basis | \$231,437 | \$85,685 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 6 - Deposits and Investments

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

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

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

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

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The City may also invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$2,821,102 of the City's bank balance of \$6,230,524 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

| | <u>Fair Value</u> | <u>Maturity</u> | <u>Moody Rating</u> | <u>Percent of Total Investments</u> |
|--|---------------------|----------------------|-------------------------|---|
| Repurchase Agreements | \$8,437,286 | Less than 30 days | AAAm | 61.98% |
| Money Market Account | 403,375 | Less than one year | AAAm | 2.96% |
| Municipal Bonds | 753,200 | Less than one year | AAA | 5.53% |
| Federal National Mortgage Association Notes | 1,390,000 | Less than five years | AAA | 10.21% |
| Federal Home Loan Bank Bonds | 2,317,655 | Less than five years | AAA | 17.03% |
| STAR Ohio | 311,612 | 58 days | AAAm | N/A |
| Total Investments | <u>\$13,613,128</u> | | | |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk All investments of the City carry a rating of AAA and AAAM by Standard & Poor's. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer.

Note 7 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2010.

Litigation

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

Investigation

On April 6, 2011, the City of Bedford Police Department, with assistance from the Cuyahoga County Prosecutor's office, started an investigation into the City of Bedford's Home Rehabilitation Program and possible improprieties related to administering the grant. The City feels it is highly unlikely that an adverse outcome will materially affect the fair presentation of the City's basic financial statements.

The matter is still under investigation. However, based on the City's internal review of the program, the City believes the likelihood of the investigation resulting in any material potential loss or liability, including the possibility of significant disallowance findings related to Federal grant programs, is remote, and that any adverse outcome from those charges would pertain to the City officials and employees subject to the investigation.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 8 - Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except property taxes, special assessments, and loans receivable are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$494,387 in the special assessment bond retirement fund. At December 31, 2010, the amount of delinquent special assessments was \$333,705.

The loans receivable at December 31, 2010, are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program. The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. Loans expected to be collected in more than one year amount to \$50,000.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2010 for real and public property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures, as of 2009, is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies; however, the City received no tangible personal property tax revenue from telephone company property. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2010 was \$21.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| | |
|--------------------------------------|---------------|
| Real Property | |
| Residential/Agricultural | \$151,771,630 |
| Commercial Industrial/Public Utility | 115,119,760 |
| Tangible Personal Property | |
| Public Utility | 6,869,490 |
| Total | \$273,760,880 |

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Bedford. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the general fund and public safety special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

Income Taxes

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

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

| | Amount |
|--|-------------|
| Governmental Activities | |
| Grants | \$611,354 |
| Local Government | 352,278 |
| Homestead and Rollback | 285,044 |
| Gasoline Tax | 215,450 |
| Estate Tax | 80,028 |
| Tangible Personal Property Loss Reimbursements | 70,243 |
| Motor Vehicle License Tax | 51,303 |
| Permissive Tax | 42,314 |
| Court Costs | 18,721 |
| Total Governmental Activities | \$1,726,735 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 9 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to one year from the one year anniversary date of hire, thereafter, all vacation must be used by December 31. City employees are paid for earned, unused vacation leave at the time of termination of employment.

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

Note 10 - Interfund Transfers and Balances

Interfund Transfers

| Transfer To | Transfer From | | Total |
|---|---------------|--------------------------------|-------------|
| | General | Other Governmental Funds | |
| Major Funds: | | | |
| Public Safety | \$3,069,377 | \$0 | \$3,069,377 |
| Other Governmental Funds: | | | |
| Community Development Block Grant | 66,500 | 0 | 66,500 |
| Street Construction, Maintenance and Repair | 300,000 | 0 | 300,000 |
| Grants | 27,070 | 0 | 27,070 |
| General Obligation Bond Retirement | 248,000 | 147,105 | 395,105 |
| Total Other Governmental Funds | 641,570 | 147,105 | 788,675 |
| Total | \$3,710,947 | \$147,105 | \$3,858,052 |

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. The transfer from the municipal court special programs special revenue fund to the general obligation bond retirement fund was to pay the court's portion of the principal and interest due on the bonds issued to build the Court.

Interfund Balances

The interfund balance at December 31, 2010, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$1,130,000. These loans were made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 11 – Capital Assets

A summary of changes in capital assets during 2010 follows:

| | Balance 12/31/09 | Additions | Deletions | Balance 12/31/10 |
|--|---------------------|----------------------|--------------------|---------------------|
| Governmental Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$2,908,079 | \$0 | \$0 | \$2,908,079 |
| Construction in Progress | 370,041 | 24,856 | (357,578) | 37,319 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>3,278,120</u> | <u>24,856</u> | <u>(357,578)</u> | <u>2,945,398</u> |
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings and Improvements | 18,440,559 | 7,550 | (776,046) | 17,672,063 |
| Machinery and Equipment | 3,970,514 | 99,980 | 0 | 4,070,494 |
| Furniture and Fixtures | 930,512 | 3,220 | 0 | 933,732 |
| Vehicles | 4,174,016 | 181,426 | (82,153) | 4,273,289 |
| Infrastructure: | | | | |
| Roads | 38,716,084 | 2,198,071 | (402,317) | 40,511,838 |
| Traffic Signals | 1,588,375 | 0 | 0 | 1,588,375 |
| Rubberized Railroad Crossings | 28,478 | 0 | 0 | 28,478 |
| Storm Sewers | 2,754,642 | 0 | 0 | 2,754,642 |
| <i>Total Capital Assets Being Depreciated</i> | <u>70,603,180</u> | <u>2,490,247</u> | <u>(1,260,516)</u> | <u>71,832,911</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (3,458,972) | (383,890) | 516,494 | (3,326,368) |
| Machinery and Equipment | (2,757,499) | (209,998) | 0 | (2,967,497) |
| Furniture and Fixtures | (796,778) | (17,782) | 0 | (814,560) |
| Vehicles | (2,968,064) | (314,449) | 82,153 | (3,200,360) |
| Infrastructure: | | | | |
| Roads | (27,333,362) | (1,648,122) | 402,317 | (28,579,167) |
| Traffic Signals | (464,707) | (63,535) | 0 | (528,242) |
| Rubberized Railroad Crossings | (11,036) | (1,424) | 0 | (12,460) |
| Storm Sewers | (790,654) | (55,094) | 0 | (845,748) |
| <i>Total Accumulated Depreciation</i> | <u>(38,581,072)</u> | <u>(2,694,294) *</u> | <u>1,000,964</u> | <u>(40,274,402)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>32,022,108</u> | <u>(204,047)</u> | <u>(259,552)</u> | <u>31,558,509</u> |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$35,300,228</u> | <u>(\$179,191)</u> | <u>(\$617,130)</u> | <u>\$34,503,907</u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| | Balance 12/31/09 | Additions | Deletions | Balance 12/31/10 |
|--|---------------------|------------------|------------------|---------------------|
| Business-Type Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$28,620 | \$0 | \$0 | \$28,620 |
| Construction in Progress | 0 | 436,367 | 0 | 436,367 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>264,670</u> | <u>436,367</u> | <u>0</u> | <u>464,987</u> |
| <i>Capital Assets, Being Depreciated</i> | | | | |
| Buildings and Improvements | 10,031,423 | 11,746 | 0 | 10,043,169 |
| Machinery and Equipment | 6,348,090 | 39,088 | (39,300) | 6,347,878 |
| Furniture and Fixtures | 93,772 | 0 | 0 | 93,772 |
| Vehicles | 400,308 | 120,496 | (63,827) | 456,977 |
| Infrastructure: | | | | |
| Water Lines | 4,735,320 | 0 | 0 | 4,735,320 |
| Sanitary Sewer Lines | 3,153,541 | 0 | 0 | 3,153,541 |
| <i>Total Capital Assets Being Depreciated</i> | <u>24,762,454</u> | <u>171,330</u> | <u>(103,127)</u> | <u>24,830,657</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (3,164,662) | (199,190) | 0 | (3,363,852) |
| Machinery and Equipment | (6,195,565) | (33,958) | 39,300 | (6,190,223) |
| Furniture and Fixtures | (93,772) | 0 | 0 | (93,772) |
| Vehicles | (229,820) | (68,595) | 63,827 | (234,588) |
| Infrastructure: | | | | |
| Water Lines | (839,897) | (68,250) | 0 | (908,147) |
| Sanitary Sewer Lines | (746,576) | (38,683) | 0 | (785,259) |
| <i>Total Accumulated Depreciation</i> | <u>(11,270,292)</u> | <u>(408,676)</u> | <u>103,127</u> | <u>(11,575,841)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>13,492,162</u> | <u>(237,346)</u> | <u>0</u> | <u>13,254,816</u> |
| <i>Total Business-Type Capital Assets, Net</i> | <u>\$13,520,782</u> | <u>\$199,021</u> | <u>\$0</u> | <u>\$13,719,803</u> |

* Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------------|---------------------------|
| General Government | \$255,590 |
| Security of Persons and Property | |
| Police | 147,453 |
| Fire | 188,969 |
| Public Health and Welfare | 1,164 |
| Leisure Time Activities | 135,267 |
| Community Development | 9,525 |
| Transportation | 1,956,326 |
| Total | <u><u>\$2,694,294</u></u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 12 – Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During fiscal year 2010, the City sold four homes. As of December 31, 2010, the City has eleven homes remaining which are being held for resale.

Note 13 - Long-term Obligations

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

| | Issue Date | Maturity Date | Interest Rate | Original Issue Amount |
|---|---------------|------------------|------------------|-----------------------------|
| Governmental Activities | | | | |
| <i>General Obligation Bonds</i> | | | | |
| Various Purpose | 2006 | 2027 | 4.00-4.125 % | \$8,929,000 |
| City Hall (Refunded \$3,035,000) | 2002 | 2016 | 3.0-5.0 | 5,200,000 |
| City Hall Court (Refunded \$905,000) | 2002 | 2019 | 1.7-5.0 | 2,000,000 |
| Capital Improvements | 2010 | 2031 | 2.3-5.65 | 2,145,000 |
| <i>Special Assessment Bonds</i> | | | | |
| Northfield and Rockside Resurfacing | 1993 | 2012 | 6.50-6.40 | 250,000 |
| Northfield and Rockside Resurfacing #2 | 1996 | 2015 | 4.6-6.625 | 760,000 |
| <i>Ohio Public Works Commission Loans</i> | | | | |
| Willard Avenue | 1994 | 2014 | 0.00 | 445,200 |
| Wandle Avenue | 2001 | 2021 | 0.00 | 518,579 |
| <i>Police Pension</i> | 1968 | 2035 | 4.25 | 245,922 |
| Business-Type Activities | | | | |
| <i>General Obligation Bonds</i> | | | | |
| <i>Water</i> | | | | |
| Water Refunding #1 | 2002 | 2017 | 1.45-4.65 | 690,000 |
| Water Refunding #2 | 2002 | 2012 | 1.45-3.95 | 1,165,000 |
| Washington Street Water | 2006 | 2026 | 4.00-4.125 | 646,000 |
| Capital Improvements | 2010 | 2036 | 2.3-5.65 | 1,625,000 |
| <i>Wastewater</i> | | | | |
| Sewer Improvement Refunding Bonds | 2006 | 2022 | 4.00-4.125 | 315,000 |
| Sewer Improvement (Refunded \$290,000) | 2002 | 2016 | 3.00-5.00 | 725,000 |
| Capital Improvements | 2010 | 2036 | 2.3-5.65 | 1,320,000 |
| <i>Ohio Water Development Loans</i> | | | | |
| <i>Wastewater</i> | | | | |
| Sewer System | 1994 | 2013 | 4.80 | 11,002,916 |
| Rapid Sandfilter | 2002 | 2023 | 3.90 | 2,427,022 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| | Issue Date | Maturity Date | Interest Rate | Original Issue Amount |
|---|---------------|------------------|------------------|-----------------------------|
| Business-Type Activities (continued) | | | | |
| Ohio Public Works Commission Loans | | | | |
| <i>Water</i> | | | | |
| Northfield Road Water Line | 2007 | n/a | 0.00 % | \$400,000 |
| <i>Wastewater</i> | | | | |
| Flow Control | 1995 | 2015 | 0.00 | 83,265 |
| Oxidation Tower Improvements | 2004 | 2025 | 0.00 | 822,286 |
| Sludge Thickener | 2008 | 2029 | 0.00 | 200,336 |

Changes in long-term obligations during the year ended December 31, 2010, consisted of the following:

| | Balance 12/31/09 | Increase | Decrease | Balance 12/31/10 | Amounts Due in One Year |
|---|---------------------|--------------------|--------------------|---------------------|-------------------------------|
| Governmental Activities | | | | | |
| <i>General Obligation Bonds</i> | | | | | |
| Various Purpose Bonds | \$8,690,300 | \$0 | \$341,200 | \$8,349,100 | \$359,500 |
| Premium on Various Purpose Bonds | 51,048 | 0 | 2,862 | 48,186 | 0 |
| Discount on Various Purpose Bonds | (46,177) | 0 | (2,589) | (43,588) | 0 |
| Loss on Refunding | (379,083) | 0 | (21,257) | (357,826) | 0 |
| Total Various Purpose Bonds | 8,316,088 | 0 | 320,216 | 7,995,872 | 359,500 |
| City Hall | 1,270,000 | 0 | 160,000 | 1,110,000 | 165,000 |
| City Hall Court | 755,000 | 0 | 65,000 | 690,000 | 65,000 |
| <i>Capital Improvement Bonds</i> | | | | | |
| Serial | 0 | 1,295,000 | 0 | 1,295,000 | 0 |
| Build America Bonds - Term | 0 | 850,000 | 0 | 850,000 | 0 |
| Premium on Capital Improvement Bonds | 0 | 23,710 | 790 | 22,920 | 0 |
| Total Capital Improvement Bonds | 0 | 2,168,710 | 790 | 2,167,920 | 0 |
| Total General Obligation Bonds | 10,341,088 | 2,168,710 | 546,006 | 11,963,792 | 589,500 |
| <i>Special Assessment Bonds</i> | | | | | |
| Northfield and Rockside Resurfacing | 55,000 | 0 | 15,000 | 40,000 | 20,000 |
| Northfield and Rockside Resurfacing #2 | 315,000 | 0 | 45,000 | 270,000 | 50,000 |
| Total Special Assessment Bonds | 370,000 | 0 | 60,000 | 310,000 | 70,000 |
| <i>Ohio Public Works Commission Loans</i> | | | | | |
| Willard Avenue | 100,170 | 0 | 22,260 | 77,910 | 22,260 |
| Wandle Avenue | 285,218 | 0 | 25,929 | 259,289 | 25,929 |
| Total Ohio Public Works Commission Loans | 385,388 | 0 | 48,189 | 337,199 | 48,189 |
| <i>Other Long-Term Obligations</i> | | | | | |
| Police Pension | 190,131 | 0 | 4,260 | 185,871 | 4,443 |
| Capital Leases Payable | 31,102 | 3,575 | 11,832 | 22,845 | 9,930 |
| Compensated Absences Payable | 1,389,974 | 344,638 | 337,423 | 1,397,189 | 399,056 |
| Total Other Long-Term Obligations | 1,611,207 | 348,213 | 353,515 | 1,605,905 | 413,429 |
| Total Governmental Activities | \$12,707,683 | \$2,516,923 | \$1,007,710 | \$14,216,896 | \$1,121,118 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| | Balance 12/31/09 | Increase | Decrease | Balance 12/31/10 | Amounts Due in One Year |
|---------------------------------------|---------------------|-----------|-----------|---------------------|-------------------------------|
| Business-Type Activities | | | | | |
| <i>General Obligation Bonds</i> | | | | | |
| Water Refunding #1 | \$415,000 | \$0 | \$45,000 | \$370,000 | \$50,000 |
| Unamortized Loss | (16,340) | 0 | (2,043) | (14,297) | 0 |
| Total Water Refunding #1 | 398,660 | 0 | 42,957 | 355,703 | 50,000 |
| Water Refunding #2 | 410,000 | 0 | 135,000 | 275,000 | 135,000 |
| Unamortized Loss | (13,834) | 0 | (4,612) | (9,222) | 0 |
| Total Water Refunding #2 | 396,166 | 0 | 130,388 | 265,778 | 135,000 |
| Washington Street Water | 579,700 | 0 | 23,800 | 555,900 | 25,500 |
| Unamortized Premium | 3,775 | 0 | 212 | 3,563 | 0 |
| Unamortized Discount | (3,403) | 0 | (191) | (3,212) | 0 |
| Total Washington Street Water | 580,072 | 0 | 23,821 | 556,251 | 25,500 |
| <i>Capital Improvement Bonds</i> | | | | | |
| Serial | 0 | 455,000 | 0 | 455,000 | 0 |
| Build America Bonds - Term | 0 | 1,170,000 | 0 | 1,170,000 | 0 |
| Unamortized Premium | 0 | 8,268 | 276 | 7,992 | 0 |
| Total Capital Improvement - Water | 0 | 1,633,268 | 276 | 1,632,992 | 0 |
| Sewer Improvement Refunding | 310,000 | 0 | 0 | 310,000 | 5,000 |
| Unamortized Premium | 1,024 | 0 | 58 | 966 | 0 |
| Unamortized Discount | (679) | 0 | (38) | (641) | 0 |
| Unamortized Loss | (15,927) | 0 | (893) | (15,034) | 0 |
| Total Sewer Improvement Refunding | 294,418 | 0 | (873) | 295,291 | 5,000 |
| Sewer Improvement | 250,000 | 0 | 30,000 | 220,000 | 35,000 |
| <i>Capital Improvement Bonds</i> | | | | | |
| Serial | 0 | 375,000 | 0 | 375,000 | 0 |
| Build America Bonds - Term | 0 | 945,000 | 0 | 945,000 | 0 |
| Unamortized Premium | 0 | 6,889 | 230 | 6,659 | 0 |
| Total Capital Improvement - Sewer | 0 | 1,326,889 | 230 | 1,326,659 | 0 |
| <i>Total General Obligation Bonds</i> | 1,919,316 | 2,960,157 | 226,799 | 4,652,674 | 250,500 |
| <i>OWDA Loans</i> | | | | | |
| Sewer System | 3,103,463 | 0 | 721,520 | 2,381,943 | 756,568 |
| Unamortized Loss | (258,161) | 0 | (73,762) | (184,399) | 0 |
| Total Sewer System | 2,845,302 | 0 | 647,758 | 2,197,544 | 756,568 |
| Rapid Sandfilter | 1,883,771 | 0 | 103,422 | 1,780,349 | 107,495 |
| <i>Total OWDA Loans</i> | \$4,729,073 | \$0 | \$751,180 | \$3,977,893 | \$864,063 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| | Balance 12/31/09 | Increase | Decrease | Balance 12/31/10 | Amounts Due in One Year |
|---|---------------------|--------------------|--------------------|---------------------|-------------------------------|
| Business-Type Activities (continued) | | | | | |
| <i>OPWC Loans</i> | | | | | |
| Northfield Road Water Line | \$390,000 | \$0 | \$20,000 | \$370,000 | \$20,000 |
| Flow Control | 20,818 | 0 | 4,163 | 16,655 | 4,163 |
| Oxidation Tower Improvements | 637,272 | 0 | 41,114 | 596,158 | 41,114 |
| Sludge Thickener | 195,328 | 0 | 10,017 | 185,311 | 10,017 |
| <i>Total OPWC Loans</i> | <u>1,243,418</u> | <u>0</u> | <u>75,294</u> | <u>1,168,124</u> | <u>75,294</u> |
| <i>Other Long-Term Liabilities</i> | | | | | |
| Compensated Absences | 149,267 | 4,704 | 31,515 | 122,456 | 15,289 |
| <i>Total Business-Type Activities</i> | <u>\$8,041,074</u> | <u>\$2,964,861</u> | <u>\$1,084,788</u> | <u>\$9,921,147</u> | <u>\$1,205,146</u> |

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

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

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

In 2003, the City defeased a 1991 water construction mortgage revenue bond issue and a 1997 water construction general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2010, \$630,000 of the defeased bonds are still outstanding.

In 2006, the City defeased a 1999 city hall general obligation bond issue, a 2000 city hall general obligation bond issue, a 2000 city hall court general obligation bond issue and a 2002 sewer improvement general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2010, \$7,100,000 of the defeased bonds are still outstanding.

The City has pledged future revenues, net of operating expenses, to repay OWDA and OPWC loans in the wastewater fund. The debt is payable solely from net revenues through 2029. Annual principal and interest payments on the debt issues are expected to require 68 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$5,670,496. Principal and interest paid for the current year from net revenues available were \$1,136,305 and \$772,215, respectively.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

During 2010, the City issued \$5,090,000 in Capital Improvement Bonds. The issue consisted of tax exempt bonds (serial and term) and Build America Bonds (BABs). The bonds were issued for the purpose of street and bridge/culvert construction, the purchase of an ambulance and a loader, as well as water and sewer infrastructure construction. As part of the American Recovery and Reinvestment Act of 2009, Congress added Sections 54AA and 6431 to the Code, which permit state or local governments to obtain certain tax advantages when they issue BABs. Under Section 6431 of the Code, the City may elect to receive payments directly from the Secretary of the United States Treasury equal to 35 percent of the corresponding interest payable on this issue. The bonds will be repaid from the bond retirement debt service fund and the water and sewer enterprise funds.

The 2010 BABs term bonds maturing on December 1, 2025, 2030 and 2036, respectively, are subject to optional and extraordinary optional sinking fund redemption. Optional redemption BABs are subject to prior redemption by and at the sole option of the City, either in whole or in part on any date on or after December 1, 2019, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date. Extraordinary optional redemption BABs are also subject to maturity by and at the sole option of the City, either in whole or in part on any date, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, in the event that the BAB direct payments cease or are reduced. The respective principal amounts are as follows:

| Year | Issue | | |
|------------------------|------------------|------------------|------------------|
| | \$1,205,000 | \$815,000 | \$945,000 |
| 2021 | \$260,000 | \$0 | \$0 |
| 2022 | 225,000 | 0 | 0 |
| 2023 | 235,000 | 0 | 0 |
| 2024 | 240,000 | 0 | 0 |
| 2026 | 0 | 255,000 | 0 |
| 2027 | 0 | 135,000 | 0 |
| 2028 | 0 | 135,000 | 0 |
| 2029 | 0 | 145,000 | 0 |
| 2031 | 0 | 0 | 155,000 |
| 2032 | 0 | 0 | 145,000 |
| 2033 | 0 | 0 | 155,000 |
| 2034 | 0 | 0 | 155,000 |
| 2035 | 0 | 0 | 165,000 |
| Total | \$960,000 | \$670,000 | \$775,000 |
| <i>Stated Maturity</i> | <i>12/1/2025</i> | <i>12/1/2030</i> | <i>12/1/2036</i> |

The remaining principal amount of the term bonds (\$245,000, \$145,000 and \$170,000) will mature at the stated maturity.

The City's overall legal debt margin was \$23,856,250 at December 31, 2010. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2010, are as follows:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Governmental Activities

| Year | General Obligation Bonds | | Special Assessment Bonds | | Police Pension | | OPWC Loan |
|--------------|--------------------------|--------------------|--------------------------|-----------------|------------------|------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2011 | \$589,500 | \$413,024 | \$70,000 | \$19,030 | \$4,443 | \$7,853 | \$48,189 |
| 2012 | 607,800 | 389,409 | 70,000 | 14,700 | 4,634 | 7,662 | 48,189 |
| 2013 | 632,800 | 364,780 | 55,000 | 10,370 | 4,833 | 7,463 | 48,189 |
| 2014 | 666,100 | 338,840 | 55,000 | 7,015 | 5,041 | 7,255 | 37,059 |
| 2015 | 684,400 | 311,286 | 60,000 | 3,660 | 5,257 | 7,039 | 25,929 |
| 2016-2020 | 3,473,400 | 1,105,947 | 0 | 0 | 29,875 | 31,606 | 129,644 |
| 2021-2025 | 2,456,000 | 513,523 | 0 | 0 | 36,866 | 24,615 | 0 |
| 2026-2030 | 1,039,100 | 62,389 | 0 | 0 | 45,495 | 16,018 | 0 |
| 2031-2035 | 0 | 0 | 0 | 0 | 49,427 | 5,352 | 0 |
| Total | \$10,149,100 | \$3,499,198 | \$310,000 | \$54,775 | \$185,871 | \$114,863 | \$337,199 |

Build America Bonds (BABs)

| Year | Principal | Interest | Subsidy | Total |
|--------------|--------------------|------------------|--------------------|--------------------|
| 2011 | \$0 | \$86,254 | (\$17,915) | \$68,339 |
| 2012 | 135,000 | 70,253 | (14,592) | 190,661 |
| 2013 | 135,000 | 67,552 | (14,591) | 187,961 |
| 2014 | 135,000 | 64,853 | (14,592) | 185,261 |
| 2015 | 140,000 | 62,152 | (14,591) | 187,561 |
| 2016-2020 | 750,000 | 264,538 | (72,958) | 941,580 |
| 2021-2025 | 665,000 | 142,900 | (50,015) | 757,885 |
| 2026-2030 | 175,000 | 17,813 | (6,234) | 186,579 |
| 2031 | 10,000 | 565 | (198) | 10,367 |
| Total | \$2,145,000 | \$776,880 | (\$205,686) | \$2,716,194 |

Business-Type Activities

| Year | General Obligation Bonds | | OWDA Loans | | OPWC Loan |
|--------------|--------------------------|------------------|--------------------|------------------|--------------------|
| | Principal | Interest | Principal | Interest | |
| 2011 | \$250,500 | \$70,581 | \$864,063 | \$173,758 | \$75,294 |
| 2012 | 257,200 | 60,896 | 905,048 | 132,774 | 75,295 |
| 2013 | 112,200 | 50,633 | 948,185 | 89,639 | 75,295 |
| 2014 | 113,900 | 45,978 | 120,701 | 55,189 | 75,295 |
| 2015 | 125,600 | 39,981 | 125,455 | 50,436 | 71,131 |
| 2016-2020 | 516,600 | 128,143 | 705,388 | 174,066 | 355,656 |
| 2021-2025 | 309,000 | 40,740 | 493,452 | 34,219 | 335,099 |
| 2026-2029 | 45,900 | 1,836 | 0 | 0 | 105,059 |
| Total | \$1,730,900 | \$438,788 | \$4,162,292 | \$710,081 | \$1,168,124 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Capital Improvement Bonds - Build America Bonds (BABs)

| Year | Serial and Term | | | Total |
|-----------|-----------------|-------------|-------------|-------------|
| | Principal | Interest | Subsidy | |
| 2011 | \$0 | \$161,677 | (\$48,712) | \$112,965 |
| 2012 | 85,000 | 131,382 | (39,675) | 176,707 |
| 2013 | 85,000 | 129,983 | (39,675) | 175,308 |
| 2014 | 90,000 | 128,282 | (39,675) | 178,607 |
| 2015 | 90,000 | 126,483 | (39,675) | 176,808 |
| 2016-2020 | 480,000 | 603,137 | (198,376) | 884,761 |
| 2021-2025 | 540,000 | 517,150 | (181,003) | 876,147 |
| 2026-2030 | 640,000 | 370,958 | (129,835) | 881,123 |
| 2031-2035 | 765,000 | 180,517 | (63,181) | 882,336 |
| 2036 | 170,000 | 9,605 | (3,362) | 176,243 |
| Total | \$2,945,000 | \$2,359,174 | (\$783,169) | \$4,521,005 |

Note 14 - Capital Leases

In prior years, the City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2010 follows:

| | Amounts |
|--------------------------------|----------|
| Asset: | |
| Equipment | \$57,495 |
| Less: Accumulated Depreciation | (32,988) |
| Current Book Value | \$24,507 |

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

| Year Ending December 31, | |
|--------------------------------|----------|
| 2011 | \$9,930 |
| 2012 | 7,980 |
| 2013 | 4,935 |
| Present Value of Minimum Lease | \$22,845 |

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 15 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009 and 2008 were \$570,404, \$523,667, and \$445,897, respectively. For 2010, 86.70 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$5,519 made by the City and \$3,942 made by plan members.

Ohio Police and Fire Pension Fund

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 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 OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$328,694 and \$355,107 for the year ended December 31, 2010, \$302,735 and \$326,883 for the year ended December 31, 2009, and \$298,394 and \$360,193 for the year ended December 31, 2008, respectively. For 2010, 76.50 percent for police and 72.57 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2010, the unfunded liability of the City was \$185,871 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

Note 16 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$326,162, \$380,091, and \$445,897, respectively. For 2010, 86.70 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$174,015 and \$138,955 for the year ended December 31, 2010, \$173,912 and \$135,782 for the year ended December 31, 2009, and \$196,813 and \$171,784 for the year ended December 31, 2008. For 2010, 76.50 percent has been contributed for police and 72.57 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

Note 17 - Risk Management

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

| Type of Coverage | Coverage | Deductible |
|-----------------------------------|--------------------------|------------|
| Automobile Liability | \$5,000,000 | \$0 |
| General Liability | 5,000,000 per occurrence | 1,000 |
| Property Liability | 47,315,224 | 1,000 |
| Boiler and Machinery | 10,000,000 | 1,000 |
| Firefighters Errors and Omissions | 5,000,000 per occurrence | 1,000 |
| Ambulance Professional | 5,000,000 per occurrence | 1,000 |
| Law Enforcement Liability | 5,000,000 per occurrence | 2,500 |
| Public Officials Liability | 5,000,000 aggregate | 2,500 |
| Employee Benefit Liability | 1,000,000 aggregate | 1,000 |
| Uninsured Motorists | 25,000 | 0 |
| Stop Gap | 1,000,000 aggregate | 1,000 |
| Municipal Attorney and Law | | |
| Director Liability | 1,000,000 | 2,500 |
| Fire Damage Liability | 100,000 | 1,000 |

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

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

Medical Mutual of Ohio serves as the third party administrator who reviews and processes medical, prescription, dental and vision claims which the City then pays after discounts are applied. The City has stop loss coverage of \$75,000 per individual except in "high claim" designations in which the stop loss coverage is \$175,000 per designated individual. The departments are charged an amount annually equal to the estimated costs for the year divided by the number of qualified covered employees.

The claims liability of \$141,602 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2010, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds claims liability amount in 2009 and 2010 were as follows:

| | Balance at Beginning of Year | Current Year Claims | Claim Payments | Balance at End of Year |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2009 | \$192,564 | \$1,815,035 | \$1,846,938 | \$160,661 |
| 2010 | 160,661 | 1,654,780 | 1,673,839 | 141,602 |

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

COMBINING

SECTION





City of BEDFORD, Ohio

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted, committed or nonspendable to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

Street Lighting Fund - To account for the collection of special assessments restricted for street lighting.

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

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

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

Grants Fund - To account for restricted monies received through various grants and donations given to the City.

Municipal Court Special Programs Fund - To account for the restricted receipts of fees collected by the Court used for professional services and capital items for security.

Housing and Urban Development (HUD) Rehabilitation Program Fund - To account for Housing and Urban Development grants restricted to the acquisition, rehabilitation, and resale of foreclosed and abandoned homes.

Indigent Interlock and Monitoring Fund - To account for fines and forfeitures restricted for the indigent interlock and monitoring program.

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - To account for resources restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund - To account for the collection of special assessments levied against benefited properties restricted for the payment of special assessment bond principal, interest and related costs.

Nonmajor Capital Projects Funds

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

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

Capital Improvement Fund - To account for various revenues which are assigned for various capital improvements.

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--------------------------------------|--|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,728,510 | \$62,375 | \$1,514,729 | \$4,305,614 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agents | 12,178 | 0 | 62,140 | 74,318 |
| Intergovernmental Receivable | 895,565 | 0 | 24,856 | 920,421 |
| Loans Receivable | 0 | 0 | 75,000 | 75,000 |
| Special Assessments Receivable | 301,628 | 494,387 | 74,615 | 870,630 |
| Assets Held for Resale | 933,237 | 0 | 0 | 933,237 |
| <i>Total Assets</i> | <u>\$4,871,118</u> | <u>\$556,762</u> | <u>\$1,751,340</u> | <u>\$7,179,220</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$89,028 | \$0 | \$136,109 | \$225,137 |
| Accrued Wages | 5,381 | 0 | 0 | 5,381 |
| Intergovernmental Payable | 5,835 | 0 | 0 | 5,835 |
| Interfund Payable | 1,130,000 | 0 | 0 | 1,130,000 |
| Retainage Payable | 12,178 | 0 | 62,140 | 74,318 |
| Deferred Revenue | 518,147 | 494,387 | 368,615 | 1,381,149 |
| <i>Total Liabilities</i> | <u>1,760,569</u> | <u>494,387</u> | <u>566,864</u> | <u>2,821,820</u> |
| Fund Balances | | | | |
| Nonspendable | 43,006 | 0 | 50,000 | 93,006 |
| Restricted | 3,067,543 | 62,375 | 363,904 | 3,493,822 |
| Committed | 0 | 0 | 80,540 | 80,540 |
| Assigned | 0 | 0 | 690,032 | 690,032 |
| <i>Total Fund Balances</i> | <u>3,110,549</u> | <u>62,375</u> | <u>1,184,476</u> | <u>4,357,400</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$4,871,118</u> | <u>\$556,762</u> | <u>\$1,751,340</u> | <u>\$7,179,220</u> |

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|--------------------------------------|-----------------------------------|---------------------------------------|---|
| Revenues | | | | |
| Municipal Income Taxes | \$0 | \$657,234 | \$0 | \$657,234 |
| Charges for Services | 775 | 0 | 0 | 775 |
| Fines and Forfeitures | 195,804 | 0 | 75,673 | 271,477 |
| Intergovernmental | 2,065,206 | 0 | 24,856 | 2,090,062 |
| Special Assessments | 328,955 | 87,137 | 0 | 416,092 |
| Contributions and Donations | 83,320 | 0 | 0 | 83,320 |
| Interest | 14,339 | 3,042 | 8,297 | 25,678 |
| Other | 102,643 | 0 | 14,000 | 116,643 |
| <i>Total Revenues</i> | <u>2,791,042</u> | <u>747,413</u> | <u>122,826</u> | <u>3,661,281</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | 11,687 | 0 | 0 | 11,687 |
| Security of Persons and Property: | | | | |
| Police | 614,713 | 0 | 0 | 614,713 |
| Fire | 15,524 | 0 | 0 | 15,524 |
| Public Health and Welfare | 15,980 | 0 | 0 | 15,980 |
| Leisure Time Activities | 8,344 | 0 | 0 | 8,344 |
| Community Development | 586,558 | 0 | 0 | 586,558 |
| Basic Utility Services | 355,699 | 0 | 0 | 355,699 |
| Transportation | 899,802 | 0 | 0 | 899,802 |
| Capital Outlay | 0 | 0 | 1,841,744 | 1,841,744 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 674,389 | 0 | 674,389 |
| Interest and Fiscal Charges | 0 | 458,114 | 0 | 458,114 |
| Bond Issuance Costs | 0 | 0 | 55,200 | 55,200 |
| <i>Total Expenditures</i> | <u>2,508,307</u> | <u>1,132,503</u> | <u>1,896,944</u> | <u>5,537,754</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>282,735</u> | <u>(385,090)</u> | <u>(1,774,118)</u> | <u>(1,876,473)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 1,948 | 0 | 0 | 1,948 |
| General Obligation Bonds Issued | 0 | 0 | 2,145,000 | 2,145,000 |
| Premium on Bonds | 0 | 0 | 23,710 | 23,710 |
| Transfers In | 393,570 | 395,105 | 0 | 788,675 |
| Transfers Out | (147,105) | 0 | 0 | (147,105) |
| <i>Total Other Financing Sources (Uses)</i> | <u>248,413</u> | <u>395,105</u> | <u>2,168,710</u> | <u>2,812,228</u> |
| <i>Net Change in Fund Balances</i> | 531,148 | 10,015 | 394,592 | 935,755 |
| <i>Fund Balances Beginning of Year</i> | <u>2,579,401</u> | <u>52,360</u> | <u>789,884</u> | <u>3,421,645</u> |
| <i>Fund Balances End of Year</i> | <u>\$3,110,549</u> | <u>\$62,375</u> | <u>\$1,184,476</u> | <u>\$4,357,400</u> |

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

| | Community Development Block Grant | State Highway | Indigent Drivers |
|---|--|------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$264,079 | \$151,446 | \$115,551 |
| Cash and Cash Equivalents with Fiscal Agents | 12,178 | 0 | 0 |
| Intergovernmental Receivable | 441,533 | 19,968 | 4,014 |
| Special Assessments Receivable | 0 | 0 | 0 |
| Assets Held for Resale | 499,812 | 0 | 0 |
| <i>Total Assets</i> | <u>\$1,217,602</u> | <u>\$171,414</u> | <u>\$119,565</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$3,679 | \$0 | \$0 |
| Accrued Wages | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Interfund Payable | 680,000 | 0 | 0 |
| Retainage Payable | 12,178 | 0 | 0 |
| Deferred Revenue | 0 | 14,012 | 0 |
| <i>Total Liabilities</i> | <u>695,857</u> | <u>14,012</u> | <u>0</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 521,745 | 157,402 | 119,565 |
| <i>Total Fund Balances</i> | <u>521,745</u> | <u>157,402</u> | <u>119,565</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,217,602</u> | <u>\$171,414</u> | <u>\$119,565</u> |

| <u>SEAL Narcotics</u> | <u>Enforcement and Education</u> | <u>Street Lighting</u> | <u>Street Construction, Maintenance and Repair</u> | <u>Law Enforcement Trust</u> |
|---------------------------|--------------------------------------|----------------------------|--|--------------------------------------|
| \$161,669 | \$585 | \$314,695 | \$563,738 | \$23,761 |
| 0 | 0 | 0 | 0 | 0 |
| 31,738 | 0 | 0 | 246,785 | 0 |
| 0 | 0 | 301,628 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>\$193,407</u> | <u>\$585</u> | <u>\$616,323</u> | <u>\$810,523</u> | <u>\$23,761</u> |
| \$1,200 | \$0 | \$30,372 | \$29,956 | \$0 |
| 0 | 0 | 0 | 5,381 | 0 |
| 0 | 0 | 0 | 5,835 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 301,628 | 173,325 | 0 |
| <u>1,200</u> | <u>0</u> | <u>332,000</u> | <u>214,497</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 |
| 192,207 | 585 | 284,323 | 596,026 | 23,761 |
| <u>192,207</u> | <u>585</u> | <u>284,323</u> | <u>596,026</u> | <u>23,761</u> |
| <u>\$193,407</u> | <u>\$585</u> | <u>\$616,323</u> | <u>\$810,523</u> | <u>\$23,761</u> |

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2010

| | Motor Vehicle License | Grants | Municipal Court Special Programs |
|---|-----------------------------|------------------|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$174,042 | \$112,727 | \$746,043 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 0 |
| Intergovernmental Receivable | 42,314 | 109,213 | 0 |
| Special Assessments Receivable | 0 | 0 | 0 |
| Assets Held for Resale | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$216,356</u> | <u>\$221,940</u> | <u>\$746,043</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$17,217 | \$0 | \$0 |
| Accrued Wages | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 |
| Deferred Revenue | 29,182 | 0 | 0 |
| <i>Total Liabilities</i> | <u>46,399</u> | <u>0</u> | <u>0</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 169,957 | 221,940 | 746,043 |
| <i>Total Fund Balances</i> | <u>169,957</u> | <u>221,940</u> | <u>746,043</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$216,356</u> | <u>\$221,940</u> | <u>\$746,043</u> |

| <u>HUD Rehabilitation Program</u> | <u>Indigent Interlock and Monitoring</u> | <u>Cemetery Trust</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---|--|---------------------------|---|
| \$37,053 | \$20,115 | \$43,006 | \$2,728,510 |
| 0 | 0 | 0 | 12,178 |
| 0 | 0 | 0 | 895,565 |
| 0 | 0 | 0 | 301,628 |
| 433,425 | 0 | 0 | 933,237 |
| <u>\$470,478</u> | <u>\$20,115</u> | <u>\$43,006</u> | <u>\$4,871,118</u> |
| \$6,604 | \$0 | \$0 | \$89,028 |
| 0 | 0 | 0 | 5,381 |
| 0 | 0 | 0 | 5,835 |
| 450,000 | 0 | 0 | 1,130,000 |
| 0 | 0 | 0 | 12,178 |
| 0 | 0 | 0 | 518,147 |
| <u>456,604</u> | <u>0</u> | <u>0</u> | <u>1,760,569</u> |
| 0 | 0 | 43,006 | 43,006 |
| 13,874 | 20,115 | 0 | 3,067,543 |
| <u>13,874</u> | <u>20,115</u> | <u>43,006</u> | <u>3,110,549</u> |
| <u>\$470,478</u> | <u>\$20,115</u> | <u>\$43,006</u> | <u>\$4,871,118</u> |

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

| | Community Development Block Grant | State Highway | Indigent Drivers | SEAL Narcotics |
|---|--|-------------------------|-------------------------|-------------------------|
| Revenues | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Intergovernmental | 853,331 | 39,798 | 34,725 | 363,995 |
| Special Assessments | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Interest | 0 | 916 | 809 | 0 |
| Other | 0 | 0 | 0 | 101,973 |
| <i>Total Revenues</i> | <u>853,331</u> | <u>40,714</u> | <u>35,534</u> | <u>465,968</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Security of Persons and Property: | | | | |
| Police | 0 | 0 | 0 | 475,601 |
| Fire | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 15,980 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Community Development | 498,957 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Transportation | 0 | 85,035 | 0 | 0 |
| <i>Total Expenditures</i> | <u>498,957</u> | <u>85,035</u> | <u>15,980</u> | <u>475,601</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>354,374</u> | <u>(44,321)</u> | <u>19,554</u> | <u>(9,633)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 |
| Transfers In | 66,500 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>66,500</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 420,874 | (44,321) | 19,554 | (9,633) |
| <i>Fund Balances Beginning of Year</i> | <u>100,871</u> | <u>201,723</u> | <u>100,011</u> | <u>201,840</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$521,745</u></u> | <u><u>\$157,402</u></u> | <u><u>\$119,565</u></u> | <u><u>\$192,207</u></u> |

| Enforcement and Education | Street Lighting | Street Construction, Maintenance and Repair | Law Enforcement Trust | Motor Vehicle License | Grants | Municipal Court Special Programs |
|------------------------------|--------------------|--|-----------------------------|-----------------------------|------------------|--|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$775 | \$0 |
| 0 | 0 | 0 | 3,139 | 0 | 0 | 178,823 |
| 483 | 0 | 492,389 | 0 | 84,415 | 196,070 | 0 |
| 0 | 328,955 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 83,320 | 0 |
| 2 | 2,521 | 3,734 | 231 | 1,008 | 0 | 4,958 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>485</u> | <u>331,476</u> | <u>496,123</u> | <u>3,370</u> | <u>85,423</u> | <u>280,165</u> | <u>183,781</u> |
| 0 | 0 | 0 | 0 | 0 | 6,950 | 4,737 |
| 578 | 0 | 0 | 13,422 | 0 | 125,112 | 0 |
| 0 | 0 | 0 | 0 | 0 | 15,524 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 8,344 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 355,699 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 702,681 | 0 | 108,723 | 3,363 | 0 |
| <u>578</u> | <u>355,699</u> | <u>702,681</u> | <u>13,422</u> | <u>108,723</u> | <u>159,293</u> | <u>4,737</u> |
| <u>(93)</u> | <u>(24,223)</u> | <u>(206,558)</u> | <u>(10,052)</u> | <u>(23,300)</u> | <u>120,872</u> | <u>179,044</u> |
| 0 | 0 | 1,948 | 0 | 0 | 0 | 0 |
| 0 | 0 | 300,000 | 0 | 0 | 27,070 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | (147,105) |
| <u>0</u> | <u>0</u> | <u>301,948</u> | <u>0</u> | <u>0</u> | <u>27,070</u> | <u>(147,105)</u> |
| (93) | (24,223) | 95,390 | (10,052) | (23,300) | 147,942 | 31,939 |
| <u>678</u> | <u>308,546</u> | <u>500,636</u> | <u>33,813</u> | <u>193,257</u> | <u>73,998</u> | <u>714,104</u> |
| <u>\$585</u> | <u>\$284,323</u> | <u>\$596,026</u> | <u>\$23,761</u> | <u>\$169,957</u> | <u>\$221,940</u> | <u>\$746,043</u> |

(continued)

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2010

| | HUD Rehabilitation Program | Indigent Interlock and Monitoring | Cemetery Trust | Total Nonmajor Special Revenue Funds |
|---|----------------------------------|---|------------------------|--|
| Revenues | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$775 |
| Fines and Forfeitures | 0 | 13,842 | 0 | 195,804 |
| Intergovernmental | 0 | 0 | 0 | 2,065,206 |
| Special Assessments | 0 | 0 | 0 | 328,955 |
| Contributions and Donations | 0 | 0 | 0 | 83,320 |
| Interest | 0 | 96 | 64 | 14,339 |
| Other | 570 | 0 | 100 | 102,643 |
| <i>Total Revenues</i> | <u>570</u> | <u>13,938</u> | <u>164</u> | <u>2,791,042</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 11,687 |
| Security of Persons and Property: | | | | |
| Police | 0 | 0 | 0 | 614,713 |
| Fire | 0 | 0 | 0 | 15,524 |
| Public Health and Welfare | 0 | 0 | 0 | 15,980 |
| Leisure Time Activities | 0 | 0 | 0 | 8,344 |
| Community Development | 87,601 | 0 | 0 | 586,558 |
| Basic Utility Services | 0 | 0 | 0 | 355,699 |
| Transportation | 0 | 0 | 0 | 899,802 |
| <i>Total Expenditures</i> | <u>87,601</u> | <u>0</u> | <u>0</u> | <u>2,508,307</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(87,031)</u> | <u>13,938</u> | <u>164</u> | <u>282,735</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 1,948 |
| Transfers In | 0 | 0 | 0 | 393,570 |
| Transfers Out | 0 | 0 | 0 | (147,105) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>248,413</u> |
| <i>Net Change in Fund Balances</i> | (87,031) | 13,938 | 164 | 531,148 |
| <i>Fund Balances Beginning of Year</i> | <u>100,905</u> | <u>6,177</u> | <u>42,842</u> | <u>2,579,401</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$13,874</u></u> | <u><u>\$20,115</u></u> | <u><u>\$43,006</u></u> | <u><u>\$3,110,549</u></u> |

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|---|---|---|---|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$5,458 | \$56,917 | \$62,375 |
| Special Assessments Receivable | 0 | 494,387 | 494,387 |
| <i>Total Assets</i> | <u>\$5,458</u> | <u>\$551,304</u> | <u>\$556,762</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Deferred Revenue | \$0 | \$494,387 | \$494,387 |
| Fund Balances | | | |
| Restricted | 5,458 | 56,917 | 62,375 |
| <i>Total Liabilities and Fund Balances</i> | <u>\$5,458</u> | <u>\$551,304</u> | <u>\$556,762</u> |

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

| | General Obligation Bond Retirement | Special Assessment Bond Retirement | Total Nonmajor Debt Service Funds |
|---|---|---|---|
| Revenues | | | |
| Municipal Income Taxes | \$657,234 | \$0 | \$657,234 |
| Special Assessments | 0 | 87,137 | 87,137 |
| Interest | 2,360 | 682 | 3,042 |
| <i>Total Revenues</i> | <u>659,594</u> | <u>87,819</u> | <u>747,413</u> |
| Expenditures | | | |
| Debt Service: | | | |
| Principal Retirement | 614,389 | 60,000 | 674,389 |
| Interest and Fiscal Charges | 435,379 | 22,735 | 458,114 |
| <i>Total Expenditures</i> | <u>1,049,768</u> | <u>82,735</u> | <u>1,132,503</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (390,174) | 5,084 | (385,090) |
| Other Financing Sources | | | |
| Transfers In | 395,105 | 0 | 395,105 |
| <i>Net Change in Fund Balances</i> | 4,931 | 5,084 | 10,015 |
| <i>Fund Balances Beginning of Year</i> | <u>527</u> | <u>51,833</u> | <u>52,360</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$5,458</u></u> | <u><u>\$56,917</u></u> | <u><u>\$62,375</u></u> |

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

| | <u>Municipal Court Improvement</u> | <u>Capital Improvement</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|--|--------------------------------|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$363,904 | \$1,150,825 | \$1,514,729 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | | | |
| With Fiscal Agents | 0 | 62,140 | 62,140 |
| Intergovernmental Receivable | 0 | 24,856 | 24,856 |
| Loans Receivable | 0 | 75,000 | 75,000 |
| Special Assessments Receivable | 0 | 74,615 | 74,615 |
| <i>Total Assets</i> | <u>\$363,904</u> | <u>\$1,387,436</u> | <u>\$1,751,340</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$0 | \$136,109 | \$136,109 |
| Retainage Payable | 0 | 62,140 | 62,140 |
| Deferred Revenue | 0 | 368,615 | 368,615 |
| <i>Total Liabilities</i> | <u>0</u> | <u>566,864</u> | <u>566,864</u> |
| Fund Balances | | | |
| Nonspendable | 0 | 50,000 | 50,000 |
| Restricted | 363,904 | 0 | 363,904 |
| Committed | 0 | 80,540 | 80,540 |
| Assigned | 0 | 690,032 | 690,032 |
| <i>Total Fund Balances</i> | <u>363,904</u> | <u>820,572</u> | <u>1,184,476</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$363,904</u> | <u>\$1,387,436</u> | <u>\$1,751,340</u> |

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010

| | Municipal Court Improvement | Capital Improvement | Total Nonmajor Capital Projects Funds |
|--|-----------------------------------|------------------------|---|
| Revenues | | | |
| Fines and Forfeitures | \$75,673 | \$0 | \$75,673 |
| Intergovernmental | 0 | 24,856 | 24,856 |
| Interest | 2,622 | 5,675 | 8,297 |
| Other | 0 | 14,000 | 14,000 |
| <i>Total Revenues</i> | <u>78,295</u> | <u>44,531</u> | <u>122,826</u> |
| Expenditures | | | |
| Capital Outlay | 125,300 | 1,716,444 | 1,841,744 |
| Debt Service: | | | |
| Bond Issuance Costs | 0 | 55,200 | 55,200 |
| <i>Total Expenditures</i> | <u>125,300</u> | <u>1,771,644</u> | <u>1,896,944</u> |
| <i>Excess of Revenues</i> | | | |
| <i>Under Expenditures</i> | <u>(47,005)</u> | <u>(1,727,113)</u> | <u>(1,774,118)</u> |
| Other Financing Sources | | | |
| General Obligation Bonds Issued | 0 | 2,145,000 | 2,145,000 |
| Premium on Bonds | 0 | 23,710 | 23,710 |
| <i>Total Other Financing Sources</i> | <u>0</u> | <u>2,168,710</u> | <u>2,168,710</u> |
| <i>Net Change in Fund Balances</i> | (47,005) | 441,597 | 394,592 |
| <i>Fund Balances Beginning of Year</i> | <u>410,909</u> | <u>378,975</u> | <u>789,884</u> |
| <i>Fund Balances End of Year</i> | <u>\$363,904</u> | <u>\$820,572</u> | <u>\$1,184,476</u> |

Combining Statement - Agency Funds

Agency Funds

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

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

State Inspection Fee Fund - To account for monies received and disbursed to the State of Ohio for the State building standards program.

City of Bedford, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

| | Beginning Balance 12/31/09 | Additions | Deductions | Ending Balance 12/31/10 |
|---|----------------------------------|--------------------|--------------------|-------------------------------|
| <i>Municipal Court</i> | | | | |
| Assets | | | | |
| Cash and Cash Equivalents In Segregated Accounts | \$161,324 | \$6,212,126 | \$6,105,077 | \$268,373 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$161,324 | \$6,212,126 | \$6,105,077 | \$268,373 |
| <i>State Inspection Fee</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$64 | \$1,272 | \$1,313 | \$23 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$64 | \$1,272 | \$1,313 | \$23 |
| <i>All Agency Funds</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$64 | \$1,272 | \$1,313 | \$23 |
| Cash and Cash Equivalents In Segregated Accounts | 161,324 | 6,212,126 | 6,105,077 | 268,373 |
| <i>Total Assets</i> | \$161,388 | \$6,213,398 | \$6,106,390 | \$268,396 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$161,388 | \$6,213,398 | \$6,106,390 | \$268,396 |

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

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Property Taxes | \$2,318,195 | \$2,318,195 | \$2,242,109 | (\$76,086) |
| Municipal Income Taxes | 8,508,240 | 8,508,240 | 8,284,517 | (223,723) |
| Charges for Services | 786,980 | 801,980 | 747,622 | (54,358) |
| Fees, Licenses and Permits | 229,025 | 243,025 | 214,858 | (28,167) |
| Fines and Forfeitures | 1,540,980 | 1,540,980 | 1,492,097 | (48,883) |
| Intergovernmental | 2,010,190 | 1,910,190 | 1,991,294 | 81,104 |
| Interest | 172,000 | 122,000 | 10,748 | (111,252) |
| Rentals | 17,700 | 17,700 | 25,280 | 7,580 |
| Other | 19,150 | 19,150 | 6,421 | (12,729) |
| <i>Total Revenues</i> | <u>15,602,460</u> | <u>15,481,460</u> | <u>15,014,946</u> | <u>(466,514)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Council and Clerk: | | | | |
| Personal Services | 259,575 | 259,575 | 234,770 | 24,805 |
| Other | 60,750 | 60,750 | 31,830 | 28,920 |
| Total Council and Clerk | <u>320,325</u> | <u>320,325</u> | <u>266,600</u> | <u>53,725</u> |
| Finance Department: | | | | |
| Personal Services | 298,305 | 298,305 | 272,572 | 25,733 |
| Capital Outlay | 0 | 8,000 | 8,000 | 0 |
| Other | 367,465 | 359,465 | 333,080 | 26,385 |
| Total Finance Department | <u>665,770</u> | <u>665,770</u> | <u>613,652</u> | <u>52,118</u> |
| Income Tax Department: | | | | |
| Personal Services | 219,850 | 219,850 | 206,360 | 13,490 |
| Other | 178,942 | 178,942 | 117,869 | 61,073 |
| Total Income Tax Department | <u>398,792</u> | <u>398,792</u> | <u>324,229</u> | <u>74,563</u> |
| City Manager: | | | | |
| Personal Services | 345,090 | 305,090 | 262,259 | 42,831 |
| Other | 21,735 | 24,235 | 12,109 | 12,126 |
| Total City Manager | <u>\$366,825</u> | <u>\$329,325</u> | <u>\$274,368</u> | <u>\$54,957</u> |

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Law Department: | | | | |
| Personal Services | \$131,835 | \$141,835 | \$134,725 | \$7,110 |
| Other | 122,000 | 122,000 | 107,320 | 14,680 |
| Total Law Department | 253,835 | 263,835 | 242,045 | 21,790 |
| Engineering: | | | | |
| Personal Services | 14,700 | 14,700 | 14,694 | 6 |
| Other | 39,000 | 24,000 | 18,208 | 5,792 |
| Total Engineering | 53,700 | 38,700 | 32,902 | 5,798 |
| Municipal Court: | | | | |
| Personal Services | 1,798,120 | 1,798,120 | 1,693,735 | 104,385 |
| Other | 307,400 | 307,400 | 280,322 | 27,078 |
| Total Municipal Court | 2,105,520 | 2,105,520 | 1,974,057 | 131,463 |
| Special Projects: | | | | |
| Other | 92,300 | 92,300 | 79,217 | 13,083 |
| Civil Service Commission: | | | | |
| Personal Services | 3,500 | 3,500 | 1,753 | 1,747 |
| Other | 16,000 | 16,000 | 9,936 | 6,064 |
| Total Civil Service Commission | 19,500 | 19,500 | 11,689 | 7,811 |
| Land and Building: | | | | |
| Personal Services | 147,965 | 150,965 | 148,082 | 2,883 |
| Other | 548,990 | 548,990 | 401,295 | 147,695 |
| Total Land and Building | 696,955 | 699,955 | 549,377 | 150,578 |
| County Auditor Deductions: | | | | |
| Other | 86,950 | 131,950 | 121,945 | 10,005 |
| Total General Government | \$5,060,472 | \$5,065,972 | \$4,490,081 | \$575,891 |

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Police Department: | | | | |
| Personal Services | \$1,417,170 | \$1,417,170 | \$1,242,153 | \$175,017 |
| Capital Outlay | 34,000 | 34,000 | 23,913 | 10,087 |
| Other | 303,346 | 318,345 | 301,272 | 17,073 |
| Total Police | 1,754,516 | 1,769,515 | 1,567,338 | 202,177 |
| Fire: | | | | |
| Fire Equipment: | | | | |
| Capital Outlay | 246,580 | 246,580 | 194,854 | 51,726 |
| Other | 8,500 | 8,500 | 606 | 7,894 |
| Total Fire | 255,080 | 255,080 | 195,460 | 59,620 |
| Total Security of Persons and Property | 2,009,596 | 2,024,595 | 1,762,798 | 261,797 |
| Public Health and Welfare: | | | | |
| Health Department: | | | | |
| Other | 52,592 | 52,592 | 52,592 | 0 |
| Cemetery: | | | | |
| Personal Services | 96,455 | 96,455 | 88,929 | 7,526 |
| Capital Outlay | 1,200 | 1,200 | 300 | 900 |
| Other | 31,983 | 31,983 | 17,874 | 14,109 |
| Total Cemetery | 129,638 | 129,638 | 107,103 | 22,535 |
| Total Public Health and Welfare | 182,230 | 182,230 | 159,695 | 22,535 |
| Leisure Time Activities: | | | | |
| Parks and Playground: | | | | |
| Personal Services | 12,960 | 18,260 | 17,561 | 699 |
| Capital Outlay | 3,300 | 3,300 | 3,220 | 80 |
| Other | 239,219 | 234,219 | 147,936 | 86,283 |
| Total Parks and Playground | 255,479 | 255,779 | 168,717 | 87,062 |
| Playgrounds: | | | | |
| Personal Services | 338,590 | 344,023 | 266,638 | 77,385 |
| Other | 178,998 | 178,998 | 145,854 | 33,144 |
| Total Playgrounds | \$517,588 | \$523,021 | \$412,492 | \$110,529 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Swimming Pool: | | | | |
| Personal Services | \$158,075 | \$169,075 | \$169,043 | \$32 |
| Capital Outlay | 5,000 | 5,000 | 879 | 4,121 |
| Other | 54,334 | 54,334 | 45,065 | 9,269 |
| Total Swimming Pool | 217,409 | 228,409 | 214,987 | 13,422 |
| Ellenwood Center: | | | | |
| Personal Services | 411,450 | 436,450 | 413,918 | 22,532 |
| Capital Outlay | 10,828 | 10,828 | 8,159 | 2,669 |
| Other | 129,762 | 129,762 | 87,037 | 42,725 |
| Total Ellenwood Center | 552,040 | 577,040 | 509,114 | 67,926 |
| Total Leisure Time Activities | 1,542,516 | 1,584,249 | 1,305,310 | 278,939 |
| Community Development: | | | | |
| Planning Commission Department: | | | | |
| Personal Services | 1,165 | 1,165 | 647 | 518 |
| Other | 1,165 | 1,947 | 1,947 | 0 |
| Total Planning Commission Department | 2,330 | 3,112 | 2,594 | 518 |
| Board of Zoning Appeals: | | | | |
| Other | 150 | 150 | 0 | 150 |
| Building Department: | | | | |
| Personal Services | 435,600 | 435,600 | 423,948 | 11,652 |
| Other | 40,554 | 40,554 | 26,661 | 13,893 |
| Total Building Department | 476,154 | 476,154 | 450,609 | 25,545 |
| Economic Development: | | | | |
| Personal Services | 109,350 | 109,350 | 87,660 | 21,690 |
| Other | 204,281 | 204,281 | 193,175 | 11,106 |
| Total Economic Development | 313,631 | 313,631 | 280,835 | 32,796 |
| Housing Rehabilitation: | | | | |
| Capital Outlay | 5,015 | 5,015 | 5,015 | 0 |
| Total Community Development | \$797,280 | \$798,062 | \$739,053 | \$59,009 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Original | Final | | |
| Basic Utility Services: | | | | |
| Refuse Collection: | | | | |
| Other | \$827,458 | \$757,458 | \$704,090 | \$53,368 |
| Transportation: | | | | |
| Service Department: | | | | |
| Personal Services | 1,695,745 | 1,695,745 | 1,556,381 | 139,364 |
| Capital Outlay | 4,500 | 4,500 | 4,500 | 0 |
| Other | 50,303 | 54,803 | 38,156 | 16,647 |
| Total Transportation | 1,750,548 | 1,755,048 | 1,599,037 | 156,011 |
| <i>Total Expenditures</i> | 12,170,100 | 12,167,614 | 10,760,064 | 1,407,550 |
| <i>Excess of Revenues Over Expenditures</i> | 3,432,360 | 3,313,846 | 4,254,882 | 941,036 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 27,500 | 27,500 | 2,439 | (25,061) |
| Advances In | 0 | 580,000 | 280,000 | (300,000) |
| Advances Out | 0 | (894,937) | (594,937) | 300,000 |
| Transfers Out | (3,607,710) | (3,771,280) | (3,710,947) | 60,333 |
| <i>Total Other Financing Sources (Uses)</i> | (3,580,210) | (4,058,717) | (4,023,445) | 35,272 |
| <i>Net Change in Fund Balance</i> | (147,850) | (744,871) | 231,437 | 976,308 |
| <i>Fund Balance Beginning of Year</i> | 7,020,071 | 7,020,071 | 7,020,071 | 0 |
| Prior Year Encumbrances Appropriated | 76,344 | 76,344 | 76,344 | 0 |
| <i>Fund Balance End of Year</i> | \$6,948,565 | \$6,351,544 | \$7,327,852 | \$976,308 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,959,348 | \$2,959,348 | \$2,932,212 | (\$27,136) |
| Fees, Licenses and Permits | 2,510 | 2,510 | 79 | (2,431) |
| Intergovernmental | 455,346 | 466,150 | 462,906 | (3,244) |
| Interest | 13,000 | 13,000 | 4,126 | (8,874) |
| Other | 500 | 500 | 26 | (474) |
| <i>Total Revenues</i> | <i>3,430,704</i> | <i>3,441,508</i> | <i>3,399,349</i> | <i>(42,159)</i> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Police Pension: | | | | |
| Personal Services | 450,000 | 485,200 | 475,325 | 9,875 |
| Safety Forces: | | | | |
| Personal Services | 2,478,825 | 2,497,066 | 2,465,831 | 31,235 |
| Total Police | 2,928,825 | 2,982,266 | 2,941,156 | 41,110 |
| Fire: | | | | |
| Fire Medic Levy: | | | | |
| Personal Services | 2,984,930 | 3,016,930 | 2,765,971 | 250,959 |
| Other | 185,292 | 240,292 | 181,852 | 58,440 |
| Total Fire Medic Levy | 3,170,222 | 3,257,222 | 2,947,823 | 309,399 |
| Fire Pension: | | | | |
| Personal Services | 512,000 | 512,000 | 494,062 | 17,938 |
| Total Fire | 3,682,222 | 3,769,222 | 3,441,885 | 327,337 |
| <i>Total Expenditures</i> | <i>6,611,047</i> | <i>6,751,488</i> | <i>6,383,041</i> | <i>368,447</i> |
| <i>Excess of Revenues Under Expenditures</i> | <i>(3,180,343)</i> | <i>(3,309,980)</i> | <i>(2,983,692)</i> | <i>326,288</i> |
| Other Financing Sources | | | | |
| Transfers In | 3,129,710 | 3,129,710 | 3,069,377 | (60,333) |
| <i>Net Change in Fund Balance</i> | <i>(50,633)</i> | <i>(180,270)</i> | <i>85,685</i> | <i>265,955</i> |
| <i>Fund Balance Beginning of Year</i> | <i>633,949</i> | <i>633,949</i> | <i>633,949</i> | <i>0</i> |
| Prior Year Encumbrances Appropriated | 25,337 | 25,337 | 25,337 | 0 |
| <i>Fund Balance End of Year</i> | <i>\$608,653</i> | <i>\$479,016</i> | <i>\$744,971</i> | <i>\$265,955</i> |

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$4,422,745 | \$4,422,745 | \$4,340,049 | (\$82,696) |
| Other | 7,500 | 61,120 | 66,737 | 5,617 |
| Interest | 26,700 | 29,896 | 18,153 | (11,743) |
| General Obligation Bonds Issued | 0 | 1,625,000 | 1,625,000 | 0 |
| Premium on Bonds Issued | 0 | 8,268 | 8,268 | 0 |
| Sale of Capital Assets | 0 | 15,000 | 21,696 | 6,696 |
| <i>Total Revenues</i> | <u>4,456,945</u> | <u>6,162,029</u> | <u>6,079,903</u> | <u>(82,126)</u> |
| Expenses | | | | |
| Personal Services | 596,140 | 596,140 | 575,346 | 20,794 |
| Contractual Services | 3,261,405 | 3,255,105 | 3,241,367 | 13,738 |
| Materials and Supplies | 187,101 | 99,508 | 90,637 | 8,871 |
| Capital Outlay | 67,245 | 1,722,345 | 779,587 | 942,758 |
| Other | 4,300 | 42,568 | 40,503 | 2,065 |
| Debt Service: | | | | |
| Principal Retirement | 223,800 | 223,800 | 223,800 | 0 |
| Interest and Fiscal Charges | 55,935 | 55,935 | 55,933 | 2 |
| Bond Issuance Costs | 0 | 37,540 | 37,540 | 0 |
| <i>Total Expenses</i> | <u>4,395,926</u> | <u>6,032,941</u> | <u>5,044,713</u> | <u>988,228</u> |
| <i>Net Change in Fund Equity</i> | 61,019 | 129,088 | 1,035,190 | 906,102 |
| <i>Fund Equity Beginning of Year</i> | 1,976,326 | 1,976,326 | 1,976,326 | 0 |
| Prior Year Encumbrances Appropriated | <u>41,096</u> | <u>41,096</u> | <u>41,096</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u>\$2,078,441</u> | <u>\$2,146,510</u> | <u>\$3,052,612</u> | <u>\$906,102</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Wastewater Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$2,251,965 | \$2,251,965 | \$2,186,017 | (\$65,948) |
| Municipal Income Taxes | 322,350 | 322,350 | 276,601 | (45,749) |
| Other | 1,000 | 1,000 | 0 | (1,000) |
| Interest | 44,445 | 44,445 | 13,193 | (31,252) |
| General Obligation Bonds Issued | 0 | 1,320,000 | 1,320,000 | 0 |
| Premium on Bonds Issued | 0 | 6,889 | 6,889 | 0 |
| <i>Total Revenues</i> | 2,619,760 | 3,946,649 | 3,802,700 | (143,949) |
| Expenses | | | | |
| Personal Services | 1,030,610 | 1,030,610 | 979,895 | 50,715 |
| Contractual Services | 76,405 | 97,805 | 81,543 | 16,262 |
| Materials and Supplies | 305,917 | 288,517 | 268,350 | 20,167 |
| Capital Outlay | 329,608 | 1,591,487 | 362,915 | 1,228,572 |
| Other | 8,000 | 35,889 | 33,032 | 2,857 |
| Debt Service: | | | | |
| Principal Retirement | 912,239 | 910,236 | 910,236 | 0 |
| Interest and Fiscal Charges | 236,071 | 236,071 | 236,071 | 0 |
| Bond Issuance Costs | 0 | 31,282 | 31,282 | 0 |
| <i>Total Expenses</i> | 2,898,850 | 4,221,897 | 2,903,324 | 1,318,573 |
| <i>Net Change in Fund Equity</i> | (279,090) | (275,248) | 899,376 | 1,174,624 |
| <i>Fund Equity Beginning of Year</i> | 1,710,771 | 1,710,771 | 1,710,771 | 0 |
| Prior Year Encumbrances Appropriated | 2,075 | 2,075 | 2,075 | 0 |
| <i>Fund Equity End of Year</i> | \$1,433,756 | \$1,437,598 | \$2,612,222 | \$1,174,624 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$1,182,589 | \$1,182,589 | \$524,827 | (\$657,762) |
| Other | 1,989 | 1,989 | 1,989 | 0 |
| <i>Total Revenues</i> | <u>1,184,578</u> | <u>1,184,578</u> | <u>526,816</u> | <u>(657,762)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Community Development: | | | | |
| CDBG Department: | | | | |
| Capital Outlay | 1,209,689 | 1,209,689 | 1,107,157 | 102,532 |
| Other | 21,971 | 21,971 | 15,352 | 6,619 |
| <i>Total Expenditures</i> | <u>1,231,660</u> | <u>1,231,660</u> | <u>1,122,509</u> | <u>109,151</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(47,082)</u> | <u>(47,082)</u> | <u>(595,693)</u> | <u>(548,611)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 80,000 | 80,000 | 80,000 | 0 |
| Advances In | 580,000 | 580,000 | 580,000 | 0 |
| Advances Out | (100,000) | (100,000) | (100,000) | 0 |
| Transfers In | 66,500 | 66,500 | 66,500 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>626,500</u> | <u>626,500</u> | <u>626,500</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 579,418 | 579,418 | 30,807 | (548,611) |
| <i>Fund Balance Beginning of Year</i> | 84,332 | 84,332 | 84,332 | 0 |
| Prior Year Encumbrances Appropriated | <u>23,491</u> | <u>23,491</u> | <u>23,491</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$687,241</u> | <u>\$687,241</u> | <u>\$138,630</u> | <u>(\$548,611)</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$43,000 | \$43,000 | \$40,545 | (\$2,455) |
| Interest | 3,200 | 3,200 | 916 | (2,284) |
| <i>Total Revenues</i> | 46,200 | 46,200 | 41,461 | (4,739) |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Other | 90,000 | 90,000 | 90,000 | 0 |
| <i>Net Change in Fund Balance</i> | (43,800) | (43,800) | (48,539) | (4,739) |
| <i>Fund Balance Beginning of Year</i> | 154,985 | 154,985 | 154,985 | 0 |
| Prior Year Encumbrances Appropriated | 45,000 | 45,000 | 45,000 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$156,185</u> | <u>\$156,185</u> | <u>\$151,446</u> | <u>(\$4,739)</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$14,000 | \$14,000 | \$30,893 | \$16,893 |
| Interest | 3,000 | 3,000 | 809 | (2,191) |
| <i>Total Revenues</i> | 17,000 | 17,000 | 31,702 | 14,702 |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Indigent Drivers: | | | | |
| Other | 50,000 | 50,000 | 15,980 | 34,020 |
| <i>Net Change in Fund Balance</i> | (33,000) | (33,000) | 15,722 | 48,722 |
| <i>Fund Balance Beginning of Year</i> | 98,574 | 98,574 | 98,574 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$65,574</u> | <u>\$65,574</u> | <u>\$114,296</u> | <u>\$48,722</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SEAL Narcotics Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$386,626 | \$386,626 | \$332,257 | (\$54,369) |
| Other | 27,511 | 27,511 | 101,973 | 74,462 |
| <i>Total Revenues</i> | <u>414,137</u> | <u>414,137</u> | <u>434,230</u> | <u>20,093</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| SEAL Narcotics: | | | | |
| Personal Services | 327,900 | 327,900 | 300,427 | 27,473 |
| Capital Outlay | 110,285 | 110,285 | 45,328 | 64,957 |
| Other | 186,151 | 186,151 | 139,766 | 46,385 |
| <i>Total Expenditures</i> | <u>624,336</u> | <u>624,336</u> | <u>485,521</u> | <u>138,815</u> |
| <i>Net Change in Fund Balance</i> | (210,199) | (210,199) | (51,291) | 158,908 |
| <i>Fund Balance Beginning of Year</i> | <u>210,199</u> | <u>210,199</u> | <u>210,199</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$158,908</u> | <u>\$158,908</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$175 | \$175 | \$583 | \$408 |
| Interest | 0 | 0 | 2 | 2 |
| <i>Total Revenues</i> | 175 | 175 | 585 | 410 |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Enforcement and Education: | | | | |
| Personal Services | 578 | 578 | 578 | 0 |
| <i>Net Change in Fund Balance</i> | (403) | (403) | 7 | 410 |
| <i>Fund Balance Beginning of Year</i> | 578 | 578 | 578 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$175</u> | <u>\$175</u> | <u>\$585</u> | <u>\$410</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Special Assessments | \$350,000 | \$350,000 | \$328,955 | (\$21,045) |
| Interest | 7,000 | 7,000 | 2,521 | (4,479) |
| <i>Total Revenues</i> | 357,000 | 357,000 | 331,476 | (25,524) |
| Expenditures | | | | |
| Current: | | | | |
| Basic Utility Services: | | | | |
| Street Lighting: | | | | |
| Other | 315,000 | 360,000 | 353,347 | 6,653 |
| <i>Net Change in Fund Balance</i> | 42,000 | (3,000) | (21,871) | (18,871) |
| <i>Fund Balance Beginning of Year</i> | 336,566 | 336,566 | 336,566 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$378,566</u> | <u>\$333,566</u> | <u>\$314,695</u> | <u>(\$18,871)</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$529,000 | \$529,000 | \$501,601 | (\$27,399) |
| Interest | 15,000 | 15,000 | 3,734 | (11,266) |
| <i>Total Revenues</i> | <u>544,000</u> | <u>544,000</u> | <u>505,335</u> | <u>(38,665)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Personal Services | 235,720 | 245,720 | 225,690 | 20,030 |
| Capital Outlay | 108,915 | 113,415 | 111,553 | 1,862 |
| Other | 546,277 | 596,277 | 440,327 | 155,950 |
| <i>Total Expenditures</i> | <u>890,912</u> | <u>955,412</u> | <u>777,570</u> | <u>177,842</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(346,912)</u> | <u>(411,412)</u> | <u>(272,235)</u> | <u>139,177</u> |
| Other Financing Sources | | | | |
| Sale of Capital Assets | 5,000 | 5,000 | 1,948 | (3,052) |
| Transfers In | 300,000 | 300,000 | 300,000 | 0 |
| <i>Total Other Financing Sources</i> | <u>305,000</u> | <u>305,000</u> | <u>301,948</u> | <u>(3,052)</u> |
| <i>Net Change in Fund Balance</i> | (41,912) | (106,412) | 29,713 | 136,125 |
| <i>Fund Balance Beginning of Year</i> | 421,753 | 421,753 | 421,753 | 0 |
| Prior Year Encumbrances Appropriated | 19,872 | 19,872 | 19,872 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$399,713</u> | <u>\$335,213</u> | <u>\$471,338</u> | <u>\$136,125</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$0 | \$3,138 | \$3,139 | \$1 |
| Interest | 0 | 0 | 231 | 231 |
| <i>Total Revenues</i> | 0 | 3,138 | 3,370 | 232 |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Personal Services | 0 | 3,000 | 1,256 | 1,744 |
| Capital Outlay | 0 | 30,813 | 12,166 | 18,647 |
| <i>Total Expenditures</i> | 0 | 33,813 | 13,422 | 20,391 |
| <i>Net Change in Fund Balance</i> | 0 | (30,675) | (10,052) | 20,623 |
| <i>Fund Balance Beginning of Year</i> | 33,813 | 33,813 | 33,813 | 0 |
| <i>Fund Balance End of Year</i> | \$33,813 | \$3,138 | \$23,761 | \$20,623 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$90,000 | \$90,000 | \$84,382 | (\$5,618) |
| Interest | 4,200 | 4,200 | 1,008 | (3,192) |
| <i>Total Revenues</i> | 94,200 | 94,200 | 85,390 | (8,810) |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Other | 93,000 | 93,000 | 93,000 | 0 |
| <i>Net Change in Fund Balance</i> | 1,200 | 1,200 | (7,610) | (8,810) |
| <i>Fund Balance Beginning of Year</i> | 181,652 | 181,652 | 181,652 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$182,852</u> | <u>\$182,852</u> | <u>\$174,042</u> | <u>(\$8,810)</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$775 | \$775 | \$775 | \$0 |
| Intergovernmental | 121,023 | 121,023 | 106,631 | (14,392) |
| Contributions & Donations | 175,740 | 175,740 | 84,320 | (91,420) |
| <i>Total Revenues</i> | <u>297,538</u> | <u>297,538</u> | <u>191,726</u> | <u>(105,812)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| NOPEC Energy Grant | | | | |
| Personal Services | 6,950 | 6,950 | 6,950 | 0 |
| Capital Outlay | 134,325 | 134,325 | 24,999 | 109,326 |
| Other | 3,465 | 3,465 | 3,465 | 0 |
| Total General Government | <u>144,740</u> | <u>144,740</u> | <u>35,414</u> | <u>109,326</u> |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Homeland Security Police Department: | | | | |
| Personal Services | 11,487 | 11,487 | 11,487 | 0 |
| Other | 36,319 | 36,319 | 17,229 | 19,090 |
| Total Homeland Security Police Department | <u>47,806</u> | <u>47,806</u> | <u>28,716</u> | <u>19,090</u> |
| Community Diversion: | | | | |
| Personal Services | 49,064 | 49,064 | 42,936 | 6,128 |
| Other | 775 | 775 | 495 | 280 |
| Total Community Diversion | <u>49,839</u> | <u>49,839</u> | <u>43,431</u> | <u>6,408</u> |
| Third Grade Seatbelts: | | | | |
| Personal Services | 1,028 | 1,028 | 1,028 | 0 |
| Violence Against Women: | | | | |
| Personal Services | 41,478 | 41,478 | 41,478 | 0 |
| Capital Outlay | 5,437 | 5,437 | 5,368 | 69 |
| Other | 21 | 21 | 0 | 21 |
| Total Violence Against Women | <u>\$46,936</u> | <u>\$46,936</u> | <u>\$46,846</u> | <u>\$90</u> |

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund (continued)
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| DARE Enforcement: | | | | |
| Personal Services | \$5,091 | \$5,091 | \$5,091 | \$0 |
| Other | 99 | 99 | 0 | 99 |
| Total DARE Enforcement | 5,190 | 5,190 | 5,091 | 99 |
| Total Police | 150,799 | 150,799 | 125,112 | 25,687 |
| Fire: | | | | |
| Fire Department: | | | | |
| Other | 42,371 | 42,371 | 17,799 | 24,572 |
| Total Security of Persons and Property | 193,170 | 193,170 | 142,911 | 50,259 |
| Leisure Time Activities: | | | | |
| Food bank - Recreation: | | | | |
| Other | 15,453 | 15,453 | 8,344 | 7,109 |
| Transportation: | | | | |
| Service Department Recycling Grant | | | | |
| Other | 3,363 | 3,363 | 3,363 | 0 |
| <i>Total Expenditures</i> | 356,726 | 356,726 | 190,032 | 166,694 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (59,188) | (59,188) | 1,694 | 60,882 |
| Other Financing Sources | | | | |
| Transfers In | 27,070 | 27,070 | 27,070 | 0 |
| <i>Net Change in Fund Balance</i> | (32,118) | (32,118) | 28,764 | 60,882 |
| <i>Fund Balance Beginning of Year</i> | 50,698 | 50,698 | 50,698 | 0 |
| Prior Year Encumbrances Appropriated | 4,803 | 4,803 | 4,803 | 0 |
| <i>Fund Balance End of Year</i> | \$23,383 | \$23,383 | \$84,265 | \$60,882 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Programs Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$180,000 | \$180,000 | \$173,461 | (\$6,539) |
| Interest | 16,000 | 16,000 | 8,017 | (7,983) |
| <i>Total Revenues</i> | 196,000 | 196,000 | 181,478 | (14,522) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Municipal Court Special Programs: | | | | |
| Capital Outlay | 15,000 | 15,000 | 2,555 | 12,445 |
| Other | 0 | 10,382 | 4,682 | 5,700 |
| <i>Total Expenditures</i> | 15,000 | 25,382 | 7,237 | 18,145 |
| <i>Excess of Revenues Over Expenditures</i> | 181,000 | 170,618 | 174,241 | 3,623 |
| Other Financing Uses | | | | |
| Transfers Out | (147,105) | (147,105) | (147,105) | 0 |
| <i>Net Change in Fund Balance</i> | 33,895 | 23,513 | 27,136 | 3,623 |
| <i>Fund Balance Beginning of Year</i> | 696,436 | 696,436 | 696,436 | 0 |
| <i>Fund Balance End of Year</i> | \$730,331 | \$719,949 | \$723,572 | \$3,623 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Housing and Urban Development Rehabilitation Program Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Community Development: | | | | |
| HUD Housing Rehabilitation: | | | | |
| Capital Outlay | 128,682 | 128,682 | 104,148 | 24,534 |
| <i>Excess of Revenues Under Expenditures</i> | (128,682) | (128,682) | (104,148) | 24,534 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 232,435 | 232,435 | 232,435 | 0 |
| Advances In | 14,937 | 14,937 | 14,937 | 0 |
| Advances Out | 0 | (180,000) | (180,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 247,372 | 67,372 | 67,372 | 0 |
| <i>Net Change in Fund Balance</i> | 118,690 | (61,310) | (36,776) | 24,534 |
| <i>Fund Balance Beginning of Year</i> | 33,745 | 33,745 | 33,745 | 0 |
| Prior Year Encumbrances Appropriated | 30,273 | 30,273 | 30,273 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$182,708</u> | <u>\$2,708</u> | <u>\$27,242</u> | <u>\$24,534</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Interlock and Monitoring Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$3,000 | \$10,000 | \$13,821 | \$3,821 |
| Interest | 0 | 0 | 96 | 96 |
| <i>Total Revenues</i> | 3,000 | 10,000 | 13,917 | 3,917 |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Indigent Interlock and Monitoring: | | | | |
| Other | 3,000 | 3,000 | 0 | 3,000 |
| <i>Net Change in Fund Balance</i> | 0 | 7,000 | 13,917 | 6,917 |
| <i>Fund Balance Beginning of Year</i> | 4,859 | 4,859 | 4,859 | 0 |
| <i>Fund Balance End of Year</i> | \$4,859 | \$11,859 | \$18,776 | \$6,917 |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Trust Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$400 | \$400 | \$64 | (\$336) |
| Other | 0 | 0 | 100 | 100 |
| <i>Total Revenues</i> | 400 | 400 | 164 | (236) |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Cemetery Trust: | | | | |
| Other | 1,000 | 1,000 | 0 | 1,000 |
| <i>Net Change in Fund Balance</i> | (600) | (600) | 164 | 764 |
| <i>Fund Balance Beginning of Year</i> | 42,842 | 42,842 | 42,842 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$42,242</u> | <u>\$42,242</u> | <u>\$43,006</u> | <u>\$764</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Municipal Income Taxes | \$718,870 | \$648,870 | \$657,234 | \$8,364 |
| Interest | 6,000 | 6,000 | 2,360 | (3,640) |
| <i>Total Revenues</i> | <u>724,870</u> | <u>654,870</u> | <u>659,594</u> | <u>4,724</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 614,390 | 614,390 | 614,389 | 1 |
| Interest and Fiscal Charges | 435,380 | 435,380 | 435,379 | 1 |
| <i>Total Expenditures</i> | <u>1,049,770</u> | <u>1,049,770</u> | <u>1,049,768</u> | <u>2</u> |
| <i>Excess of Revenues Under Expenditures</i> | (324,900) | (394,900) | (390,174) | 4,726 |
| Other Financing Sources | | | | |
| Transfers In | 325,105 | 395,105 | 395,105 | 0 |
| <i>Net Change in Fund Balance</i> | 205 | 205 | 4,931 | 4,726 |
| <i>Fund Balance Beginning of Year</i> | <u>527</u> | <u>527</u> | <u>527</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$732</u> | <u>\$732</u> | <u>\$5,458</u> | <u>\$4,726</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Special Assessments | \$82,735 | \$82,735 | \$87,137 | \$4,402 |
| Interest | 6,000 | 6,000 | 682 | (5,318) |
| <i>Total Revenues</i> | <u>88,735</u> | <u>88,735</u> | <u>87,819</u> | <u>(916)</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 60,000 | 60,000 | 60,000 | 0 |
| Interest and Fiscal Charges | 22,735 | 22,735 | 22,735 | 0 |
| <i>Total Expenditures</i> | <u>82,735</u> | <u>82,735</u> | <u>82,735</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 6,000 | 6,000 | 5,084 | (916) |
| <i>Fund Balance Beginning of Year</i> | <u>51,833</u> | <u>51,833</u> | <u>51,833</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$57,833</u></u> | <u><u>\$57,833</u></u> | <u><u>\$56,917</u></u> | <u><u>(\$916)</u></u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Improvement Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Fines and Forfeitures | \$124,000 | \$124,000 | \$76,063 | (\$47,937) |
| Interest | 14,000 | 14,000 | 4,294 | (9,706) |
| <i>Total Revenues</i> | <u>138,000</u> | <u>138,000</u> | <u>80,357</u> | <u>(57,643)</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Municipal Court Improvement: | | | | |
| Capital Outlay | 30,000 | 42,438 | 29,345 | 13,093 |
| Other | 135,000 | 135,000 | 95,955 | 39,045 |
| <i>Total Expenditures</i> | <u>165,000</u> | <u>177,438</u> | <u>125,300</u> | <u>52,138</u> |
| <i>Net Change in Fund Balance</i> | (27,000) | (39,438) | (44,943) | (5,505) |
| <i>Fund Balance Beginning of Year</i> | <u>402,936</u> | <u>402,936</u> | <u>402,936</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$375,936</u></u> | <u><u>\$363,498</u></u> | <u><u>\$357,993</u></u> | <u><u>(\$5,505)</u></u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$76,408 | \$770,218 | \$76,408 | (\$693,810) |
| Interest | 10,000 | 10,000 | 5,675 | (4,325) |
| <i>Total Revenues</i> | <u>86,408</u> | <u>780,218</u> | <u>82,083</u> | <u>(698,135)</u> |
| Expenditures | | | | |
| Capital Outlay | 413,747 | 2,885,627 | 1,760,892 | 1,124,735 |
| Debt Service: | | | | |
| Bond Issuance Costs | 0 | 62,925 | 55,200 | 7,725 |
| <i>Total Expenditures</i> | <u>413,747</u> | <u>2,948,552</u> | <u>1,816,092</u> | <u>1,132,460</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(327,339)</u> | <u>(2,168,334)</u> | <u>(1,734,009)</u> | <u>434,325</u> |
| Other Financing Sources | | | | |
| Sale of Capital Assets | 0 | 25,000 | 25,000 | 0 |
| General Obligation Bonds Issued | 0 | 2,145,000 | 2,145,000 | 0 |
| Premium on Bonds Issued | 0 | 23,710 | 23,710 | 0 |
| <i>Total Other Financing Sources</i> | <u>0</u> | <u>2,193,710</u> | <u>2,193,710</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | <u>(327,339)</u> | <u>25,376</u> | <u>459,701</u> | <u>434,325</u> |
| <i>Fund Balance Beginning of Year</i> | 496,821 | 496,821 | 496,821 | 0 |
| Prior Year Encumbrances Appropriated | 13,747 | 13,747 | 13,747 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$183,229</u> | <u>\$535,944</u> | <u>\$970,269</u> | <u>\$434,325</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Health Insurance Fund
For the Year Ended December 31, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for Services | \$2,392,750 | \$2,392,750 | \$1,928,701 | (\$464,049) |
| Interest | 5,000 | 5,000 | 4,289 | (711) |
| Other | 28,000 | 28,000 | 26,060 | (1,940) |
| <i>Total Revenues</i> | <u>2,425,750</u> | <u>2,425,750</u> | <u>1,959,050</u> | <u>(466,700)</u> |
| Expenses | | | | |
| Contractual Services | 378,880 | 378,880 | 274,718 | 104,162 |
| Claims | 2,046,870 | 2,046,870 | 1,673,899 | 372,971 |
| <i>Total Expenses</i> | <u>2,425,750</u> | <u>2,425,750</u> | <u>1,948,617</u> | <u>477,133</u> |
| <i>Net Change in Fund Equity</i> | 0 | 0 | 10,433 | 10,433 |
| <i>Fund Equity Beginning of Year</i> | <u>389,947</u> | <u>389,947</u> | <u>389,947</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u><u>\$389,947</u></u> | <u><u>\$389,947</u></u> | <u><u>\$400,380</u></u> | <u><u>\$10,433</u></u> |

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S T A T I S T I C A L


S E C T I O N

BEDFORD COMMONS - BEDFORD OHIO

WEEKEND Of The Pooka

A Celebration
of the
Arts

September
16 - 17 - 18
2011



University Hospitals
Bedford Medical Center

OHIO
Department of
Arts & Culture

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City of BEDFORD, Ohio

Statistical Section

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

| Contents | Pages(s) |
|--|-------------------------|
| <i>Financial Trends</i> | <i>S2 – S15</i> |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| <i>Revenue Capacity</i> | <i>S16 – S23</i> |
| These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax. | |
| <i>Debt Capacity</i> | <i>S24 – S31</i> |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| <i>Economic and Demographic Information</i> | <i>S32 – S35</i> |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| <i>Operating Information</i> | <i>S36 – S53</i> |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

| | 2010 | 2009 | 2008 | 2007 |
|--|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | |
| Invested in Capital Assets, Net of Related Debt | \$22,729,591 | \$24,376,061 | \$25,879,539 | \$27,216,162 |
| Restricted: | | | | |
| Capital Projects | 0 | 410,909 | 952,794 | 974,982 |
| Debt Service | 533,106 | 624,790 | 933,485 | 1,181,876 |
| Municipal Courts | 746,043 | 714,104 | 698,237 | 0 |
| Fire | 0 | 0 | 161,449 | 134,774 |
| Streets | 1,125,705 | 1,098,471 | 1,441,636 | 1,493,516 |
| Community Development | 535,619 | 201,776 | 366,176 | 0 |
| Street Lighting | 585,951 | 647,086 | 621,919 | 0 |
| Other Purposes | 621,179 | 459,359 | 720,655 | 2,524,936 |
| Unrestricted | 10,878,025 | 9,786,893 | 10,695,092 | 11,350,256 |
| <i>Total Governmental Activities</i> <i>Net Assets</i> | 37,755,219 | 38,319,449 | 42,470,982 | 44,876,502 |
| Business Type - Activities | | | | |
| Invested in Capital Assets, Net of Related Debt | 4,122,051 | 5,780,208 | 5,058,014 | 4,527,360 |
| Restricted: | | | | |
| Renewal and Replacement | 0 | 0 | 0 | 0 |
| Unrestricted | 6,382,757 | 4,343,937 | 4,420,694 | 3,766,979 |
| <i>Total Business-Type Activities</i> <i>Net Assets</i> | 10,504,808 | 10,124,145 | 9,478,708 | 8,294,339 |
| Primary Government | | | | |
| Invested in Capital Assets, Net of Related Debt | 26,851,642 | 30,156,269 | 30,937,553 | 31,743,522 |
| Restricted | 4,147,603 | 4,156,495 | 5,896,351 | 6,310,084 |
| Unrestricted | 17,260,782 | 14,130,830 | 15,115,786 | 15,117,235 |
| <i>Total Primary Government</i> <i>Net Assets</i> | \$48,260,027 | \$48,443,594 | \$51,949,690 | \$53,170,841 |

| 2006 | 2005 | 2004 | 2003 | 2002 |
|--------------|--------------|--------------|--------------|--------------|
| \$27,242,739 | \$29,561,437 | \$29,950,309 | \$30,244,755 | \$27,844,368 |
| 1,171,756 | 1,356,429 | 1,719,410 | 3,057,559 | 4,707,736 |
| 1,321,616 | 1,143,792 | 1,247,181 | 1,176,626 | 1,366,567 |
| 0 | 0 | 0 | 0 | 0 |
| 522,030 | 423,999 | 362,312 | 97,233 | 32,999 |
| 1,162,070 | 1,294,088 | 1,371,972 | 1,183,863 | 1,143,523 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 1,746,159 | 701,410 | 1,317,826 | 1,270,059 | 1,331,643 |
| 11,720,851 | 10,220,472 | 8,236,154 | 9,350,789 | 10,243,418 |
| 44,887,221 | 44,701,627 | 44,205,164 | 46,380,884 | 46,670,254 |
| 3,285,261 | 2,842,724 | 2,638,318 | 1,356,691 | 1,185,779 |
| 0 | 0 | 0 | 0 | 1,196,296 |
| 4,145,274 | 4,335,387 | 3,961,305 | 4,260,063 | 2,369,303 |
| 7,430,535 | 7,178,111 | 6,599,623 | 5,616,754 | 4,751,378 |
| 30,528,000 | 32,404,161 | 32,588,627 | 31,601,446 | 29,030,147 |
| 5,923,631 | 4,919,718 | 6,018,701 | 6,785,340 | 9,778,764 |
| 15,866,125 | 14,555,859 | 12,197,459 | 13,610,852 | 12,612,721 |
| \$52,317,756 | \$51,879,738 | \$50,804,787 | \$51,997,638 | \$51,421,632 |

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

| | 2010 | 2009 | 2008 | 2007 |
|--|---------------------|---------------------|---------------------|---------------------|
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services and Operating Assessments: | | | | |
| General Government | \$1,858,638 | \$1,934,236 | \$2,226,427 | \$2,205,689 |
| Security of Persons and Property: | | | | |
| Police | 60,445 | 65,680 | 32,779 | 53,907 |
| Fire | 380,753 | 397,435 | 311,809 | 257,282 |
| Public Health and Welfare | 42,651 | 45,060 | 39,230 | 40,510 |
| Leisure Time Activities | 119,801 | 126,569 | 112,805 | 96,845 |
| Community Development | 272,543 | 284,584 | 339,374 | 278,011 |
| Basic Utility Services | 292,043 | 334,195 | 323,511 | 291,969 |
| Subtotal - Charges for Services | <u>3,026,874</u> | <u>3,187,759</u> | <u>3,385,935</u> | <u>3,224,213</u> |
| Operating Grants and Contributions: | | | | |
| General Government | 475,317 | 501,895 | 441,910 | 427,621 |
| Security of Persons and Property: | | | | |
| Police | 891,928 | 478,920 | 362,903 | 362,556 |
| Fire | 423,286 | 221,427 | 409,838 | 25,100 |
| Public Health and Welfare | 34,725 | 23,293 | 13,399 | 14,102 |
| Leisure Time Activities | 14,635 | 7,500 | 0 | 0 |
| Community Development | 853,331 | 113,029 | 101,163 | 114,687 |
| Basic Utility Services | 5,898 | 0 | 0 | 0 |
| Transportation | 618,478 | 620,287 | 668,247 | 661,345 |
| Subtotal - Operating Grants and Contributions | <u>3,317,598</u> | <u>1,966,351</u> | <u>1,997,460</u> | <u>1,605,411</u> |
| Capital Grants and Contributions: | | | | |
| Community Development | 0 | 0 | 0 | 0 |
| Transportation | 24,856 | 392 | 227,431 | 307,611 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Subtotal - Capital Grants and Contributions | <u>24,856</u> | <u>392</u> | <u>227,431</u> | <u>307,611</u> |
| <i>Total Governmental Activities Program Revenues</i> | <u>6,369,328</u> | <u>5,154,502</u> | <u>5,610,826</u> | <u>5,137,235</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water | 4,354,170 | 4,020,958 | 3,729,987 | 3,521,515 |
| Wastewater | 2,196,959 | 2,116,968 | 2,091,081 | 2,058,390 |
| Capital Grants and Contributions | | | | |
| Water | 0 | 0 | 0 | 331,940 |
| Wastewater | 0 | 0 | 7,766 | 222,469 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>6,551,129</u> | <u>6,137,926</u> | <u>5,828,834</u> | <u>6,134,314</u> |
| <i>Total Primary Government Program Revenues</i> | <u>\$12,920,457</u> | <u>\$11,292,428</u> | <u>\$11,439,660</u> | <u>\$11,271,549</u> |

| 2006 | 2005 | 2004 | 2003 | 2002 |
|--------------------|--------------------|---------------------|--------------------|--------------------|
| \$1,797,782 | \$1,687,566 | \$1,935,330 | \$1,649,919 | \$1,336,960 |
| 57,998 | 56,734 | 35,648 | 48,104 | 18,465 |
| 160,839 | 293,200 | 106,118 | 212,339 | 162,956 |
| 43,580 | 43,443 | 66,437 | 49,584 | 36,818 |
| 87,771 | 95,355 | 75,441 | 90,675 | 93,993 |
| 151,920 | 136,304 | 18,569 | 114,584 | 139,293 |
| 292,023 | 229,705 | 394,613 | 270,348 | 259,105 |
| <u>2,591,913</u> | <u>2,542,307</u> | <u>2,632,156</u> | <u>2,435,553</u> | <u>2,047,590</u> |
| 0 | 0 | 2,245 | 533,316 | 0 |
| 283,602 | 140,902 | 166,920 | 160,110 | 122,208 |
| 8,413 | 3,724 | 97,744 | 75,022 | 1,440 |
| 10,680 | 15,066 | 19,818 | 12,812 | 24,404 |
| 12,370 | 27,865 | 2,065 | 5,044 | 3,600 |
| 167,843 | 373,911 | 257,363 | 154,524 | 0 |
| 274 | 6,008 | 4,148 | 16,390 | 12,500 |
| 667,025 | 626,063 | 555,554 | 612,340 | 428,560 |
| <u>1,150,207</u> | <u>1,193,539</u> | <u>1,105,857</u> | <u>1,569,558</u> | <u>592,712</u> |
| 0 | 0 | 0 | 0 | 238,144 |
| 431,974 | 425,995 | 383,865 | 630 | 350,054 |
| 0 | 0 | 0 | 0 | 84,928 |
| <u>431,974</u> | <u>425,995</u> | <u>383,865</u> | <u>630</u> | <u>673,126</u> |
| <u>4,174,094</u> | <u>4,161,841</u> | <u>4,121,878</u> | <u>4,005,741</u> | <u>3,313,428</u> |
| 3,237,446 | 3,395,893 | 3,199,611 | 3,028,854 | 3,257,031 |
| 1,943,800 | 2,154,552 | 2,073,569 | 2,077,765 | 2,170,295 |
| 0 | 0 | 0 | 0 | 0 |
| <u>32,508</u> | <u>8,646</u> | <u>714,635</u> | <u>140,141</u> | <u>345,871</u> |
| <u>5,213,754</u> | <u>5,559,091</u> | <u>5,987,815</u> | <u>5,246,760</u> | <u>5,773,197</u> |
| <u>\$9,387,848</u> | <u>\$9,720,932</u> | <u>\$10,109,693</u> | <u>\$9,252,501</u> | <u>\$9,086,625</u> |

(continued)

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

| | 2010 | 2009 | 2008 | 2007 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | \$4,908,785 | \$4,928,374 | \$5,323,310 | \$5,106,413 |
| Security of Persons and Property: | | | | |
| Police | 5,247,617 | 5,359,101 | 5,446,671 | 5,452,247 |
| Fire | 3,755,520 | 3,598,515 | 4,097,079 | 3,620,839 |
| Public Health and Welfare | 177,865 | 166,753 | 221,252 | 193,518 |
| Leisure Time Activities | 1,391,675 | 1,386,520 | 1,503,009 | 1,609,539 |
| Community Development | 949,599 | 912,620 | 729,553 | 633,811 |
| Basic Utility Services | 1,054,778 | 1,046,474 | 1,027,983 | 888,600 |
| Transportation | 4,685,770 | 4,447,747 | 4,786,782 | 4,221,135 |
| Interest and Fiscal Charges | 509,591 | 566,322 | 592,927 | 615,603 |
| <i>Total Governmental Activities Expenses</i> | <u>22,681,200</u> | <u>22,412,426</u> | <u>23,728,566</u> | <u>22,341,705</u> |
| Business-Type Activities | | | | |
| Water | 4,515,808 | 3,854,565 | 3,231,458 | 3,472,856 |
| Wastewater | 2,051,038 | 2,024,262 | 1,880,937 | 2,347,908 |
| <i>Total Business-Type Activities Expenses</i> | <u>6,566,846</u> | <u>5,878,827</u> | <u>5,112,395</u> | <u>5,820,764</u> |
| <i>Total Primary Government Program Expenses</i> | <u>29,248,046</u> | <u>28,291,253</u> | <u>28,840,961</u> | <u>28,162,469</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | (16,311,872) | (17,257,924) | (18,117,740) | (17,204,470) |
| Business-Type Activities | (15,717) | 259,099 | 716,439 | 313,550 |
| <i>Total Primary Government Net Expense</i> | <u>(\$16,327,589)</u> | <u>(\$16,998,825)</u> | <u>(\$17,401,301)</u> | <u>(\$16,890,920)</u> |

| 2006 | 2005 | 2004 | 2003 | 2002 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$4,871,530 | \$4,513,961 | \$4,843,345 | \$4,516,277 | \$4,060,361 |
| 4,847,966 | 4,696,595 | 4,719,423 | 4,099,951 | 3,849,577 |
| 3,338,007 | 3,264,023 | 3,391,320 | 3,026,454 | 2,880,439 |
| 164,391 | 165,278 | 209,642 | 243,755 | 45,199 |
| 1,615,332 | 1,515,957 | 1,394,766 | 1,249,546 | 1,311,478 |
| 1,042,659 | 711,271 | 976,913 | 613,461 | 1,019,191 |
| 850,077 | 746,633 | 763,373 | 915,928 | 3,954,442 |
| 4,727,888 | 4,815,778 | 4,263,114 | 3,786,962 | 787,321 |
| 469,373 | 610,370 | 605,446 | 720,371 | 364,581 |
| <u>21,927,223</u> | <u>21,039,866</u> | <u>21,167,342</u> | <u>19,172,705</u> | <u>18,272,589</u> |
| 3,155,757 | 3,277,619 | 3,171,606 | 3,105,244 | 3,396,720 |
| 2,326,613 | 2,249,871 | 2,278,779 | 1,704,107 | 2,423,832 |
| <u>5,482,370</u> | <u>5,527,490</u> | <u>5,450,385</u> | <u>4,809,351</u> | <u>5,820,552</u> |
| <u>27,409,593</u> | <u>26,567,356</u> | <u>26,617,727</u> | <u>23,982,056</u> | <u>24,093,141</u> |
| (17,753,129) | (16,878,025) | (17,045,464) | (15,166,964) | (14,959,161) |
| (268,616) | 31,601 | 537,430 | 437,409 | (47,355) |
| <u>(\$18,021,745)</u> | <u>(\$16,846,424)</u> | <u>(\$16,508,034)</u> | <u>(\$14,729,555)</u> | <u>(\$15,006,516)</u> |

(continued)

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

| | 2010 | 2009 | 2008 | 2007 |
|--|--------------------|----------------------|----------------------|-------------------|
| General Revenues and Other | | | | |
| Changes in Net Assets | | | | |
| Governmental Activities | | | | |
| Taxes: | | | | |
| Property and Taxes Levied For: | | | | |
| General Purposes | \$2,306,766 | \$2,340,611 | \$2,436,161 | \$2,648,487 |
| Public Safety | 3,016,795 | 943,569 | 880,740 | 957,466 |
| Municipal Income Taxes levied for: | | | | |
| General Purposes | 8,145,582 | 7,616,052 | 9,098,927 | 9,852,161 |
| Debt Service | 657,234 | 626,789 | 680,711 | 769,619 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Grants and Entitlements not Restricted to | | | | |
| Specific Programs | 1,406,412 | 950,510 | 1,852,030 | 1,735,202 |
| Investment Income | 37,698 | 172,163 | 411,024 | 750,070 |
| Gain on Sale of Capital Assets | 4,957 | 145,395 | 114,650 | 38,742 |
| Miscellaneous | 172,198 | 311,302 | 237,977 | 442,004 |
| <i>Total Governmental Activities</i> | <u>15,747,642</u> | <u>13,106,391</u> | <u>15,712,220</u> | <u>17,193,751</u> |
| Business-Type Activities | | | | |
| Municipal Income Taxes levied for: | | | | |
| Other Purpose - Wastewater | 276,601 | 250,344 | 291,734 | 329,833 |
| Investment Income | 31,346 | 90,936 | 145,854 | 189,673 |
| Gain on Sale of Capital Assets | 21,696 | 0 | 0 | 0 |
| Miscellaneous | 66,737 | 45,058 | 30,342 | 30,748 |
| <i>Total Business-Type Activities</i> | <u>396,380</u> | <u>386,338</u> | <u>467,930</u> | <u>550,254</u> |
| <i>Total Primary Government General Revenues</i> <i>and Other Changes in Net Assets</i> | <u>16,144,022</u> | <u>13,492,729</u> | <u>16,180,150</u> | <u>17,744,005</u> |
| Change in Net Assets | | | | |
| Governmental Activities | (564,230) | (4,151,533) | (2,405,520) | (10,719) |
| Business-Type Activities | 380,663 | 645,437 | 1,184,369 | 863,804 |
| <i>Total Primary Government Change in Net Assets</i> | <u>(\$183,567)</u> | <u>(\$3,506,096)</u> | <u>(\$1,221,151)</u> | <u>\$853,085</u> |

| 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------|-------------|---------------|-------------|-------------|
| \$2,435,575 | \$2,548,372 | \$2,499,866 | \$2,306,655 | \$2,379,963 |
| 880,516 | 885,180 | 903,784 | 820,713 | 848,405 |
| 10,834,317 | 10,625,798 | 8,661,875 | 8,749,253 | 9,420,817 |
| 870,902 | 653,673 | 0 | 0 | 0 |
| 0 | 0 | 588,120 | 566,714 | 802,473 |
| 1,940,740 | 1,925,920 | 1,743,683 | 1,310,787 | 1,697,045 |
| 648,078 | 255,900 | 150,677 | 202,952 | 455,414 |
| 27,503 | 80,398 | 1,900 | 632,343 | 3,000 |
| 301,092 | 399,247 | 319,839 | 288,177 | 227,074 |
| 17,938,723 | 17,374,488 | 14,869,744 | 14,877,594 | 15,834,191 |
| 373,551 | 435,782 | 392,079 | 377,810 | 0 |
| 140,178 | 87,679 | 47,286 | 43,442 | 78,400 |
| 3,903 | 0 | 0 | 2,834 | 0 |
| 3,408 | 23,426 | 6,074 | 3,881 | 0 |
| 521,040 | 546,887 | 445,439 | 427,967 | 78,400 |
| 18,459,763 | 17,921,375 | 15,315,183 | 15,305,561 | 15,912,591 |
| 185,594 | 496,463 | (2,175,720) | (289,370) | 875,030 |
| 252,424 | 578,488 | 982,869 | 865,376 | 31,045 |
| \$438,018 | \$1,074,951 | (\$1,192,851) | \$576,006 | \$906,075 |

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

| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|----------------------------|----------------------------|----------------------------|
| General Fund | | | |
| Nonspendable | \$140,994 | \$166,953 | \$205,924 |
| Committed | 12,216 | 517 | 0 |
| Assigned | 45,607 | 66,615 | 614,578 |
| Unassigned | <u>8,974,991</u> | <u>8,431,130</u> | <u>9,627,764</u> |
| <i>Total General Fund</i> | <u>9,173,808</u> | <u>8,665,215</u> | <u>10,448,266</u> |
| All Other Governmental Funds | | | |
| Nonspendable | 98,803 | 127,351 | 49,844 |
| Restricted | 3,729,801 | 3,268,902 | 3,434,707 |
| Committed | 80,540 | 6,158 | 0 |
| Assigned | <u>690,032</u> | <u>297,817</u> | <u>437,035</u> |
| Total All Other Governmental Funds | <u>4,599,176</u> | <u>3,700,228</u> | <u>3,921,586</u> |
| <i>Total Governmental Funds</i> | <u><u>\$13,772,984</u></u> | <u><u>\$12,365,443</u></u> | <u><u>\$14,369,852</u></u> |

Note: The City implemented GASB 54 in 2009.

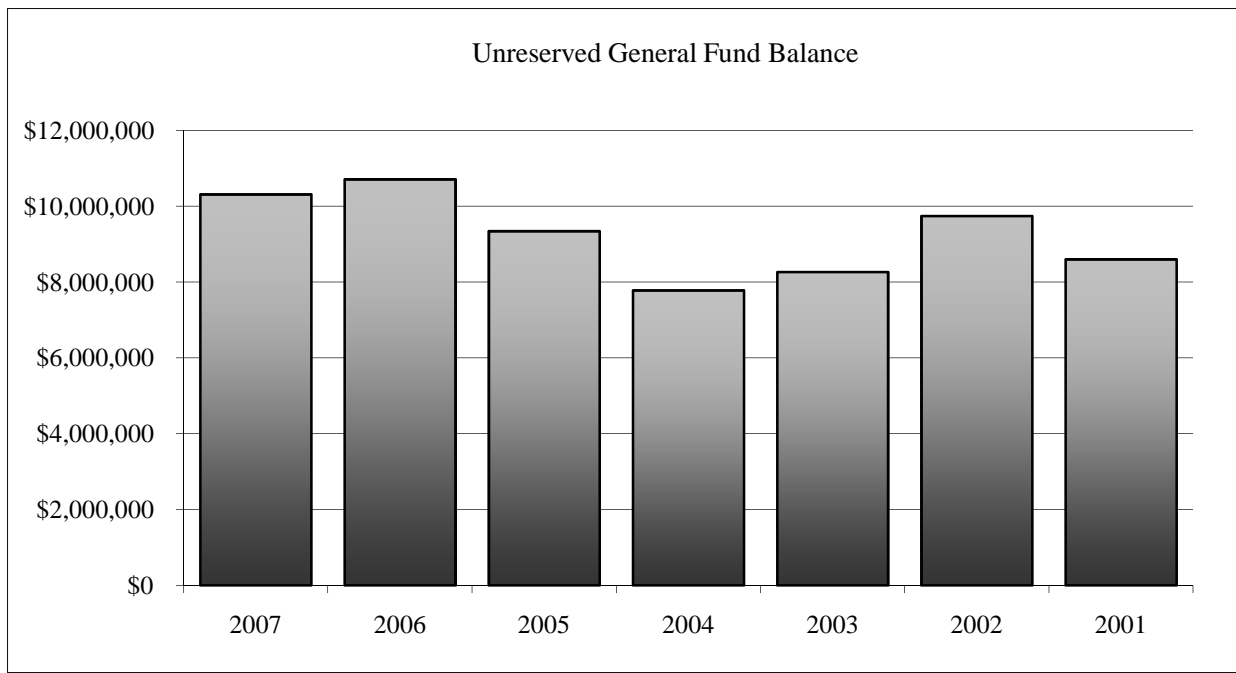
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City of Bedford, Ohio
Fund Balances, Governmental Funds
Last Seven Years
(Modified Accrual Basis of Accounting)

| | 2007 | 2006 | 2005 |
|---|----------------------------|----------------------------|----------------------------|
| General Fund | | | |
| Reserved | \$78,845 | \$123,858 | \$125,743 |
| Unreserved | 10,313,325 | 10,708,438 | 9,341,622 |
| Total General Fund | <u>10,392,170</u> | <u>10,832,296</u> | <u>9,467,365</u> |
| All Other Governmental Funds | | | |
| Reserved | 836,062 | 1,713,841 | 1,070,584 |
| Unreserved, Undesignated, Reported in: | | | |
| Special Revenue funds | 3,398,068 | 2,536,991 | 1,706,315 |
| Debt Service funds | 443,234 | 536,692 | 238,235 |
| Capital Projects funds | 823,158 | 915,568 | 908,542 |
| Total All Other Governmental Funds | <u>5,500,522</u> | <u>5,703,092</u> | <u>3,923,676</u> |
| Total Governmental Funds | <u><u>\$15,892,692</u></u> | <u><u>\$16,535,388</u></u> | <u><u>\$13,391,041</u></u> |

Note: During 2009, the City implemented GASB 54.



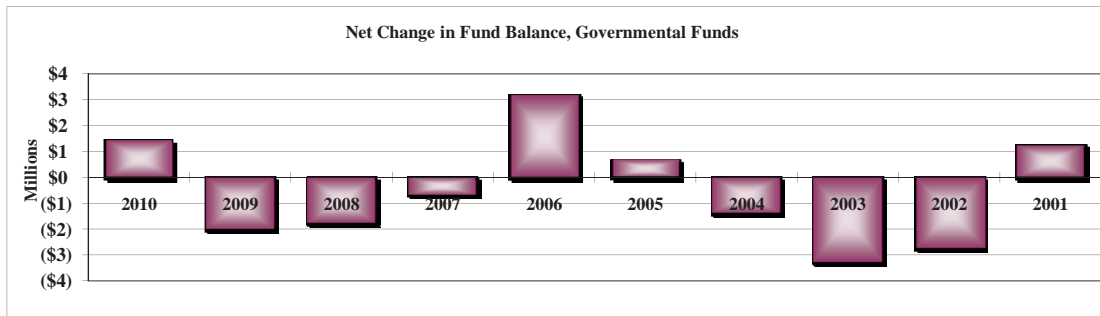
| 2004 | 2003 | 2002 | 2001 |
|---------------------|---------------------|---------------------|---------------------|
| \$183,862 | \$93,979 | \$111,332 | \$311,581 |
| 7,780,251 | 8,266,852 | 9,742,716 | 8,598,221 |
| 7,964,113 | 8,360,831 | 9,854,048 | 8,909,802 |
| 1,118,261 | 1,671,140 | 3,501,721 | 10,728,155 |
| 1,982,268 | 1,851,040 | 1,939,063 | 1,854,500 |
| 240,837 | 301,642 | 330,600 | 424,372 |
| 1,445,177 | 1,931,071 | 1,778,295 | (1,785,344) |
| 4,786,543 | 5,754,893 | 7,549,679 | 11,221,683 |
| <u>\$12,750,656</u> | <u>\$14,115,724</u> | <u>\$17,403,727</u> | <u>\$20,131,485</u> |

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

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|--------------------|----------------------|----------------------|--------------------|--------------------|
| Revenues | | | | | |
| Property Taxes | \$5,174,321 | \$3,311,558 | \$3,314,450 | \$3,570,124 | \$3,333,834 |
| Municipal Income Taxes | 8,819,439 | 8,528,730 | 9,401,167 | 10,648,355 | 11,769,832 |
| Charges for Services | 748,132 | 1,029,766 | 774,816 | 699,046 | 592,280 |
| Fees, Licenses and Permits | 211,116 | 162,453 | 207,702 | 292,484 | 186,128 |
| Fines and Forfeitures | 1,695,770 | 1,746,097 | 1,917,688 | 1,768,546 | 1,512,922 |
| Intergovernmental | 4,455,400 | 2,908,431 | 3,954,097 | 3,535,460 | 3,556,398 |
| Special Assessments | 416,092 | 425,542 | 449,480 | 498,755 | 399,087 |
| Contributions and Donations | 83,320 | 40,855 | 0 | 45,100 | 0 |
| Interest | 33,409 | 158,561 | 386,021 | 723,195 | 634,911 |
| Rentals | 24,090 | 15,480 | 14,290 | 20,010 | 8,563 |
| Other | 146,708 | 311,302 | 237,977 | 442,004 | 301,092 |
| Total Revenues | 21,807,797 | 18,638,775 | 20,657,688 | 22,243,079 | 22,295,047 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 4,432,001 | 4,652,214 | 4,833,025 | 4,619,198 | 4,533,556 |
| Security of Persons and Property: | | | | | |
| Police | 5,081,196 | 5,265,227 | 5,296,548 | 5,347,238 | 4,820,692 |
| Fire | 3,637,500 | 3,421,428 | 3,967,593 | 3,833,850 | 3,241,431 |
| Public Health and Welfare | 175,806 | 161,799 | 210,749 | 189,816 | 165,494 |
| Leisure Time Activities | 1,686,229 | 1,313,051 | 1,408,141 | 1,459,829 | 1,572,900 |
| Community Development | 1,255,407 | 911,782 | 1,728,246 | 1,034,540 | 1,043,168 |
| Basic Utilities Services | 1,054,778 | 1,046,474 | 1,025,646 | 879,667 | 839,357 |
| Transportation | 2,200,388 | 2,362,348 | 2,674,815 | 2,524,594 | 2,282,383 |
| Capital Outlay | 1,841,744 | 534,808 | 474,873 | 1,865,496 | 1,008,659 |
| Debt Service: | | | | | |
| Principal Retirement | 690,481 | 665,084 | 652,402 | 599,739 | 519,787 |
| Interest and Fiscal Charges | 466,198 | 493,363 | 519,709 | 572,980 | 401,043 |
| Bond Issuance Costs | 55,200 | 0 | 0 | 0 | 185,268 |
| Total Expenditures | 22,576,928 | 20,827,578 | 22,791,747 | 22,926,947 | 20,613,738 |
| Excess of Revenues Over (Under) Expenditures | (769,131) | (2,188,803) | (2,134,059) | (683,868) | 1,681,309 |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 4,387 | 147,670 | 336,433 | 41,172 | 29,703 |
| Gain on Sale of Assets | 0 | 36,724 | 0 | 0 | 0 |
| Proceeds from Hospital | 0 | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 2,145,000 | 0 | 0 | 0 | 8,929,000 |
| Premium on Bonds Issued | 23,710 | 0 | 0 | 0 | 60,111 |
| Discount on Bonds Issued | 0 | 0 | 0 | 0 | (54,376) |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 | (7,501,400) |
| Inception of Capital Lease | 3,575 | 0 | 40,845 | 0 | 0 |
| Transfers In | 3,858,052 | 3,554,148 | 4,701,390 | 5,874,801 | 4,847,314 |
| Transfers Out | (3,858,052) | (3,554,148) | (4,701,390) | (5,874,801) | (4,847,314) |
| Total Other Financing Sources (Uses) | 2,176,672 | 184,394 | 377,278 | 41,172 | 1,463,038 |
| Net Change in Fund Balances | \$1,407,541 | (\$2,004,409) | (\$1,756,781) | (\$642,696) | \$3,144,347 |

Debt Service as a Percentage of Noncapital Expenditures

5.9% 5.8% 5.5% 5.8% 5.7%



| 2005 | 2004 | 2003 | 2002 | 2001 |
|--------------------|----------------------|----------------------|----------------------|--------------------|
| \$3,540,788 | \$3,349,741 | \$3,052,678 | \$3,220,330 | \$5,414,988 |
| 10,833,996 | 9,472,207 | 9,084,589 | 10,124,623 | 8,936,404 |
| 694,247 | 652,848 | 652,253 | 574,762 | 470,216 |
| 147,565 | 118,615 | 126,644 | 138,713 | 119,478 |
| 1,470,857 | 1,463,728 | 1,422,916 | 1,043,171 | 1,159,891 |
| 3,503,173 | 3,306,031 | 2,692,894 | 3,087,774 | 2,476,698 |
| 416,712 | 366,902 | 350,470 | 374,681 | 423,688 |
| 0 | 0 | 0 | 0 | 0 |
| 254,732 | 148,847 | 199,101 | 449,195 | 1,099,035 |
| 0 | 0 | 0 | 0 | 0 |
| 393,507 | 322,239 | 289,472 | 227,074 | 491,427 |
| <u>21,255,577</u> | <u>19,201,158</u> | <u>17,871,017</u> | <u>19,240,323</u> | <u>20,591,825</u> |
| 4,151,780 | 4,143,464 | 4,203,294 | 3,588,172 | 3,526,175 |
| 4,558,302 | 4,551,955 | 4,427,282 | 3,841,773 | 3,883,783 |
| 3,297,888 | 3,206,450 | 2,552,163 | 2,889,019 | 2,053,176 |
| 165,551 | 211,537 | 246,935 | 217,804 | 232,125 |
| 1,460,622 | 1,297,764 | 1,239,885 | 1,277,894 | 1,010,467 |
| 1,876,405 | 970,143 | 1,117,917 | 1,072,361 | 615,877 |
| 735,683 | 752,653 | 856,764 | 729,050 | 761,940 |
| 2,280,367 | 2,196,645 | 2,054,180 | 1,915,424 | 1,719,426 |
| 1,007,907 | 2,097,823 | 4,009,134 | 12,652,137 | 4,800,947 |
| 513,968 | 554,109 | 489,052 | 443,108 | 328,189 |
| 584,173 | 597,783 | 733,594 | 319,422 | 529,909 |
| 0 | 0 | 47,999 | 224,917 | 0 |
| <u>20,632,646</u> | <u>20,580,326</u> | <u>21,978,199</u> | <u>29,171,081</u> | <u>19,462,014</u> |
| <u>622,931</u> | <u>(1,379,168)</u> | <u>(4,107,182)</u> | <u>(9,930,758)</u> | <u>1,129,811</u> |
| 80,804 | 59,100 | 819,179 | 3,000 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 87,500 |
| 0 | 0 | 0 | 7,200,000 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 16,650 | 0 | 0 | 0 | 0 |
| 4,551,897 | 6,810,084 | 6,627,043 | 5,364,594 | 7,201,348 |
| <u>(4,631,897)</u> | <u>(6,855,084)</u> | <u>(6,627,043)</u> | <u>(5,364,594)</u> | <u>(7,191,324)</u> |
| <u>17,454</u> | <u>14,100</u> | <u>819,179</u> | <u>7,203,000</u> | <u>97,524</u> |
| <u>\$640,385</u> | <u>(\$1,365,068)</u> | <u>(\$3,288,003)</u> | <u>(\$2,727,758)</u> | <u>\$1,227,335</u> |
| 5.9% | 6.6% | 7.6% | 6.4% | 6.2% |

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

| Collection Year | Real Property | | | Tangible Personal Property | |
|--------------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2010 | \$151,771,630 | \$115,119,760 | \$762,546,829 | \$6,869,490 | \$7,806,239 |
| 2009 | 172,280,760 | 108,449,470 | 802,086,371 | 6,468,910 | 7,351,034 |
| 2008 | 171,872,930 | 101,454,280 | 780,934,886 | 8,318,020 | 9,452,295 |
| 2007 | 152,499,920 | 89,128,130 | 690,365,857 | 8,552,600 | 9,718,864 |
| 2006 | 152,594,310 | 87,156,280 | 685,001,686 | 9,323,120 | 10,594,455 |
| 2005 | 152,563,070 | 90,476,710 | 694,399,371 | 9,568,670 | 10,873,489 |
| 2004 | 137,785,010 | 83,434,040 | 632,054,429 | 9,583,040 | 10,889,818 |
| 2003 | 137,816,380 | 81,783,120 | 627,427,143 | 10,282,780 | 11,684,977 |
| 2002 | 137,814,680 | 82,927,810 | 630,692,829 | 11,224,870 | 12,755,534 |
| 2001 | 120,510,280 | 73,536,000 | 554,417,943 | 12,821,650 | 14,570,057 |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

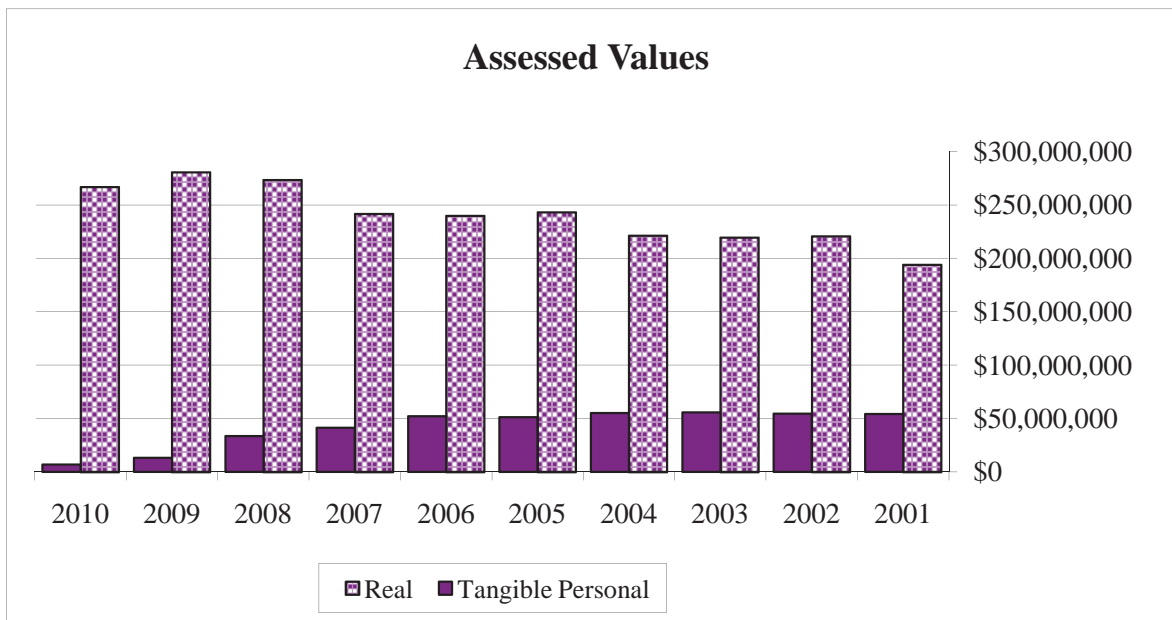
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers. (except telephone companies whose last year to pay tangible personal property tax is 2010). Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures, as of 2009, is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies; however, the City received no tangible personal property tax revenue from telephone company property

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

Tangible Personal Property

| General Business | | Total | | Ratio | Tax Rate |
|------------------|------------------------|----------------|------------------------|--------|----------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | |
| \$0 | \$0 | \$273,760,880 | \$770,353,067 | 35.54% | \$21.70 |
| 6,746,990 | 107,951,840 | 293,946,130 | 917,389,246 | 32.04 | 12.80 |
| 25,224,143 | 201,793,144 | 306,869,373 | 992,180,325 | 30.93 | 12.80 |
| 32,629,086 | 174,021,792 | 282,809,736 | 874,106,513 | 32.35 | 12.80 |
| 42,681,161 | 185,570,265 | 291,754,871 | 881,166,405 | 33.11 | 8.92 |
| 41,641,465 | 181,049,848 | 294,249,915 | 886,322,708 | 33.20 | 8.92 |
| 45,552,210 | 189,800,875 | 276,354,300 | 832,745,122 | 33.19 | 8.92 |
| 45,366,712 | 189,027,967 | 275,248,992 | 828,140,087 | 33.24 | 8.92 |
| 43,255,357 | 173,021,428 | 275,222,717 | 816,469,791 | 33.71 | 8.92 |
| 41,445,946 | 165,783,784 | 248,313,876 | 734,771,784 | 33.79 | 8.92 |



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

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Unvoted Millage | | | | | |
| Operating | \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 |
| Fire Pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Police Pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| <i>Total Unvoted Millage</i> | <u>3.8800</u> | <u>3.8800</u> | <u>3.8800</u> | <u>3.8800</u> | <u>3.8800</u> |
| Voted Millage - by levy | | | | | |
| 1976 Charter/Current Expense | 6.1200 | 6.1200 | 6.1200 | 6.1200 | 6.1200 |
| 1994 Charter/Fire | 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 |
| 2009 Charter/Safety Forces Levy | 8.9000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| <i>Total Voted Millage</i> | <u>17.8200</u> | <u>8.9200</u> | <u>8.9200</u> | <u>8.9200</u> | <u>8.9200</u> |
| Total Millage | <u><u>\$21.7000</u></u> | <u><u>\$12.8000</u></u> | <u><u>\$12.8000</u></u> | <u><u>\$12.8000</u></u> | <u><u>\$12.8000</u></u> |
| Overlapping Rates by Taxing District | | | | | |
| Bedford City School District | | | | | |
| Residential/Agricultural Real | \$38.6990 | \$38.6966 | \$30.9967 | \$31.0146 | \$31.0133 |
| Commercial/Industrial and Public Utility Real | 48.2579 | 48.1831 | 14.8100 | 42.9154 | 43.1055 |
| General Business and Public Utility Personal | 72.5000 | 72.5000 | 67.6000 | 67.6000 | 67.6000 |
| Cuyahoga County | | | | | |
| Residential/Agricultural Real | 13.1866 | 13.1789 | 12.6607 | 11.8689 | 11.8655 |
| Commercial/Industrial and Public Utility Real | 12.8412 | 12.8457 | 12.8153 | 12.4536 | 12.4941 |
| General Business and Public Utility Personal | 13.3200 | 13.3200 | 13.3200 | 13.4200 | 13.4200 |
| Special Taxing Districts (1) | | | | | |
| Residential/Agricultural Real | 7.4900 | 7.0069 | 6.6597 | 5.9676 | 5.9669 |
| Commercial/Industrial and Public Utility Real | 7.3450 | 6.9119 | 6.8911 | 6.2518 | 6.2727 |
| General Business and Public Utility Personal | 7.5800 | 7.2800 | 7.2800 | 6.7800 | 6.7800 |

Source: Cuyahoga County Auditor

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

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

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

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

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

| 2005 | 2004 | 2003 | 2002 | 2001 |
|-----------|-----------|-----------|-----------|-----------|
| \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 3.8800 | 3.8800 | 3.8800 | 3.8800 | 3.8800 |
| 6.1200 | 6.1200 | 6.1200 | 6.1200 | 6.1200 |
| 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 |
| 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 8.9200 | 8.9200 | 8.9200 | 8.9200 | 8.9200 |
| \$12.8000 | \$12.8000 | \$12.8000 | \$12.8000 | \$12.8000 |

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| \$33.9158 | \$33.8874 | \$28.9913 | \$31.2275 | \$31.2314 |
| 44.6558 | 44.6073 | 39.4438 | 39.9366 | 39.9540 |
| 67.4000 | 67.4000 | 62.5000 | 62.5000 | 62.5000 |
| 11.7227 | 10.9754 | 10.9899 | 12.4609 | 11.3815 |
| 12.5762 | 11.9846 | 12.0433 | 12.8764 | 12.0023 |
| 13.5200 | 13.5200 | 13.5200 | 14.6500 | 14.6500 |
| 6.2900 | 6.2880 | 4.7783 | 2.5323 | 2.5354 |
| 6.5552 | 6.5067 | 5.1811 | 2.5497 | 2.5320 |
| 6.7800 | 6.7800 | 5.8800 | 2.9500 | 2.9500 |

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

| Year | Total Tax Levy | Current Tax Collections | Percent of Current Tax Collections To Tax Levy | Delinquent Tax Collections | Total Tax Collections (1) |
|------|----------------------|-------------------------------|---|----------------------------------|---------------------------------|
| 2010 | \$5,838,928 | \$5,509,756 | 94.36% | \$185,339 | \$5,695,095 |
| 2009 | 3,695,369 | 3,465,784 | 93.79 | 152,322 | 3,618,105 |
| 2008 | 3,605,768 | 3,338,117 | 92.58 | 156,286 | 3,494,403 |
| 2007 | 3,573,911 | 3,341,562 | 93.50 | 180,513 | 3,522,075 |
| 2006 | 3,209,968 | 2,981,412 | 92.88 | 112,964 | 3,094,376 |
| 2005 | 3,180,491 | 3,043,735 | 95.70 | 143,694 | 3,187,429 |
| 2004 | 3,233,136 | 3,014,061 | 93.22 | 44,237 | 3,058,298 |
| 2003 | 2,956,252 | 2,804,509 | 94.87 | 99,856 | 2,904,365 |
| 2002 | 2,945,300 | 2,797,393 | 94.98 | 150,618 | 2,948,011 |
| 2001 | 2,961,620 | 2,790,577 | 94.22 | 90,090 | 2,880,667 |

Source: Cuyahoga County, Ohio; County Auditor

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

Note: The County does not maintain delinquency information by tax year.

| Percent of Total Tax Collections To Tax Levy | Accumulated Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Total Tax Levy |
|--|---|--|
| 97.54% | \$670,034 | 11.48% |
| 97.91 | 435,233 | 11.78 |
| 96.91 | 443,464 | 12.30 |
| 98.55 | 366,241 | 10.25 |
| 96.40 | 304,742 | 9.49 |
| 100.22 | 220,549 | 6.93 |
| 94.59 | 327,785 | 10.14 |
| 98.24 | 273,875 | 9.26 |
| 100.09 | 199,186 | 6.76 |
| 97.27 | 191,148 | 6.45 |

City of Bedford, Ohio
Principal Real Property Taxpayers
 2010 and 2001

| <i>2010</i> | | |
|---|----------------------------------|--|
| Taxpayer | Real Property Assessed Valuation | Percentage of Total Assessed Valuation |
| Ben Venue | \$12,729,800 | 4.77 % |
| Bear Creek Property Company | 7,259,170 | 2.72 |
| Wal-Mart Stores | 6,610,700 | 2.48 |
| Cleveland Electric Illuminating Company | 5,978,220 | 2.24 |
| Bedford Colony Club Apartments | 4,571,110 | 1.71 |
| CSH-ING Woodside Village | 3,164,040 | 1.19 |
| University Hospitals Health Systems | 2,960,560 | 1.11 |
| HIN, LLC | 2,800,010 | 1.05 |
| Nextgen Group | 2,141,170 | 0.80 |
| Colony Club Apartments II | 1,868,860 | 0.70 |
| Total | \$50,083,640 | 18.77 % |
| Total Real Property Assessed Valuation | \$266,891,390 | |

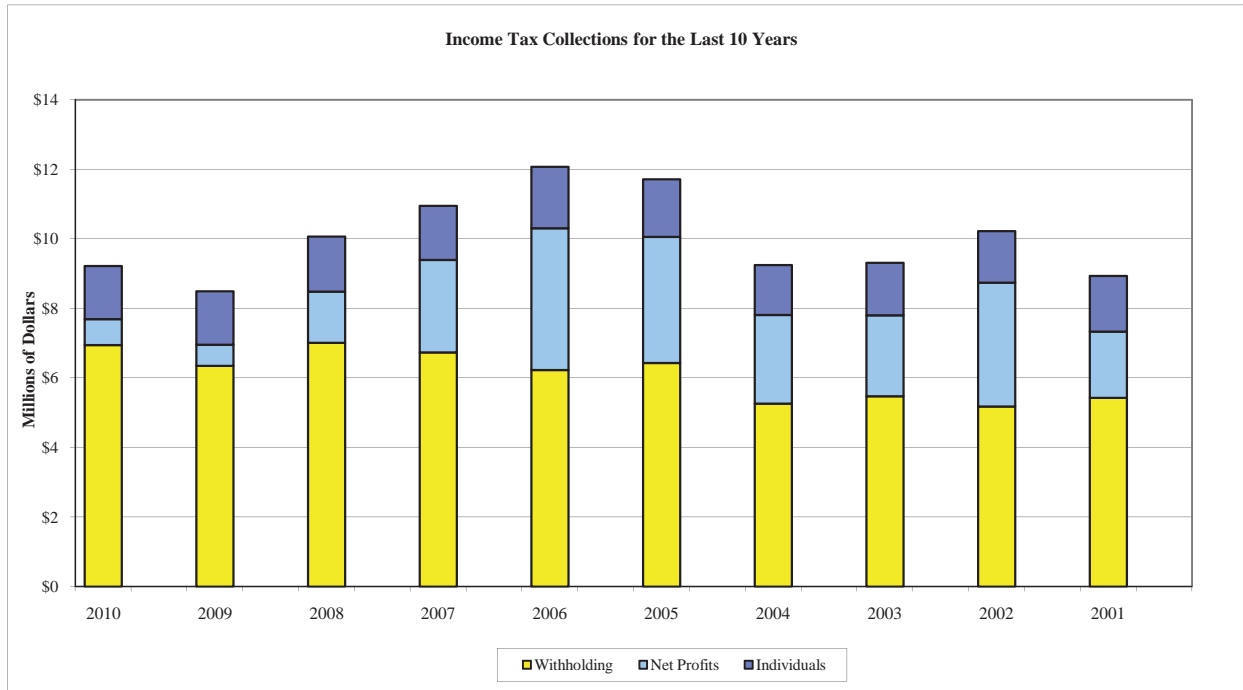
| <i>2001</i> | | |
|---|----------------------------------|--|
| Taxpayer | Real Property Assessed Valuation | Percentage of Total Assessed Valuation |
| Bear Creek Property Company | \$7,184,630 | 3.70 % |
| Bedford Colony Club Apartments | 5,905,100 | 3.04 |
| L.G.S Properties/Lee Seidman | 5,660,270 | 2.92 |
| Meadowbrook Development Corporation | 5,634,750 | 2.90 |
| Cleveland Electric Illuminating Company | 5,366,280 | 2.77 |
| Ohio Bell Telephone Company | 3,300,540 | 1.70 |
| Aspen Woodside Village LLC | 3,097,570 | 1.60 |
| Pick-N-Pay Supermarkets, Incorporated | 2,700,010 | 1.39 |
| Boehringer Ingelheim Corporation (Ben Venue) | 2,458,350 | 1.27 |
| Bedford Green | 1,642,030 | 0.84 |
| Total | \$42,949,530 | 22.13 % |
| Total Real Property Assessed Valuation | \$194,046,280 | |

Source: Cuyahoga County Auditor

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

| Tax Year (1) | Tax Rate (2) | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|--------------|--------------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2010 | 2.25% | \$9,079,417 | \$6,948,561 | 76.53% | \$741,722 | 8.17% | \$1,532,232 | 16.88% |
| 2009 | 2.25 | 8,493,185 | 6,351,204 | 74.78 | 601,317 | 7.08 | 1,540,664 | 18.14 |
| 2008 | 2.25 | 10,071,372 | 7,007,660 | 69.58 | 1,472,435 | 14.62 | 1,591,277 | 15.80 |
| 2007 | 2.25 | 10,951,613 | 6,739,622 | 61.54 | 2,654,671 | 24.24 | 1,557,320 | 14.22 |
| 2006 | 2.25 | 12,078,770 | 6,229,296 | 51.57 | 4,082,128 | 33.80 | 1,767,346 | 14.63 |
| 2005 | 2.25 | 11,715,253 | 6,430,025 | 54.89 | 3,631,690 | 31.00 | 1,653,538 | 14.11 |
| 2004 | 2.25 | 9,249,995 | 5,264,879 | 56.92 | 2,547,691 | 27.54 | 1,437,425 | 15.54 |
| 2003 | 2.25 | 9,315,967 | 5,470,228 | 58.72 | 2,337,310 | 25.09 | 1,508,429 | 16.19 |
| 2002 | 2.25 | 10,223,290 | 5,181,699 | 50.69 | 3,562,665 | 34.85 | 1,478,926 | 14.46 |
| 2001 | 2.25 | 8,936,404 | 5,424,327 | 60.70 | 1,908,505 | 21.36 | 1,603,572 | 17.94 |

- (1) 2002 through 2008 are on an Accrual Basis and 2001 is on a Modified Accrual Basis.
- (2) Effective January 1, 2000 City of Bedford Electors voted to increase the City income tax by .25% to generate proceeds to be used for the construction of the new Municipal Complex which includes a new Municipal Court.
- (3) The City is statutorily prohibited from presenting individual taxpayer information.



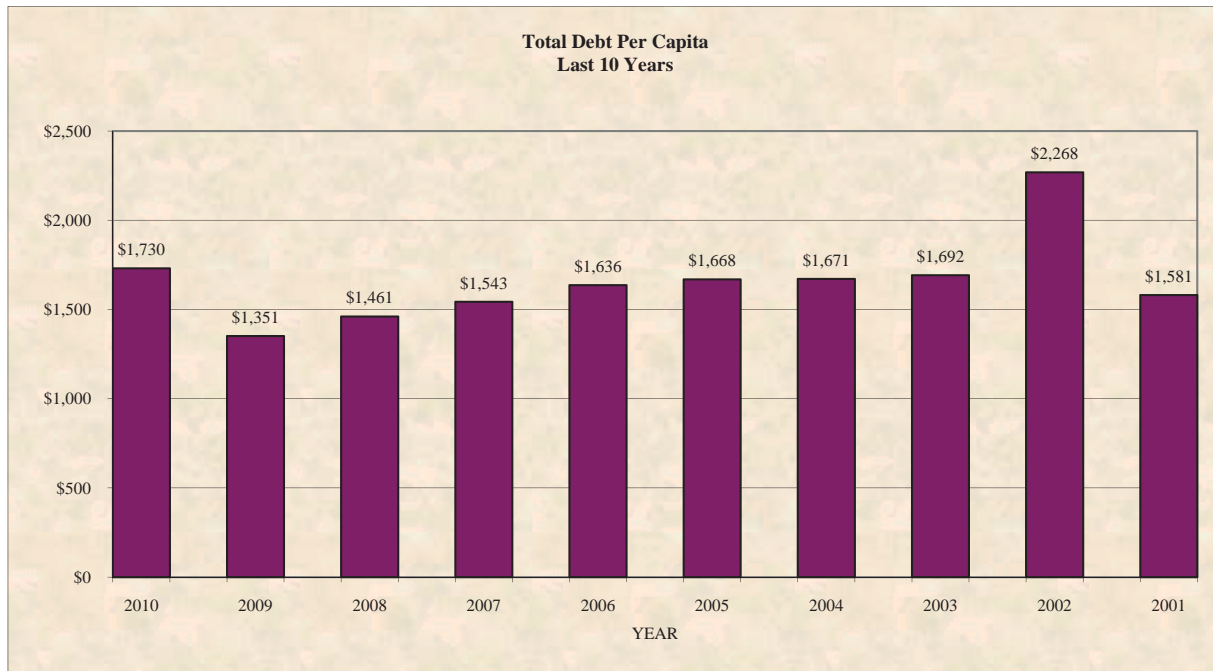
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

| Year | Governmental Activities | | | | | | General Obligation Bonds |
|------|--------------------------------|--------------------------------|---------------|-------------------|-------------------|-------------------------------|--------------------------------|
| | General Obligation Bonds | Special Assessment Bonds | OPWC Loans | Capital Leases | Police Pension | Bond Anticipation Notes | |
| 2010 | \$11,963,792 | \$310,000 | \$337,199 | \$22,845 | \$185,871 | \$0 | \$4,652,674 |
| 2009 | 10,341,088 | 370,000 | 385,388 | 31,102 | 190,131 | 0 | 1,919,316 |
| 2008 | 10,861,303 | 430,000 | 433,577 | 42,712 | 194,216 | 0 | 2,145,609 |
| 2007 | 11,363,218 | 500,000 | 481,766 | 9,263 | 198,133 | 0 | 2,360,202 |
| 2006 | 11,816,833 | 570,000 | 529,955 | 12,458 | 201,888 | 0 | 2,563,095 |
| 2005 | 10,780,000 | 635,000 | 578,144 | 15,456 | 205,488 | 591,850 | 2,088,206 |
| 2004 | 11,165,000 | 710,000 | 626,333 | 1,133 | 208,940 | 0 | 2,261,551 |
| 2003 | 11,590,000 | 785,000 | 674,522 | 3,743 | 212,250 | 0 | 2,434,896 |
| 2002 | 11,855,000 | 850,000 | 722,711 | 111,432 | 215,424 | 5,000,000 | 3,210,000 |
| 2001 | 4,880,000 | 915,000 | 770,900 | 213,308 | 218,467 | 5,000,000 | 655,000 |

Note: Population and Personal Income data are presented on page S34.

Business-Type Activities

| Special Assessment Bonds | Mortgage Revenue Bonds | OWDA Loans | OPWC Loans | Bond Anticipation Notes | Total Debt | Percentage of Personal Income | Per Capita |
|--------------------------|------------------------|-------------|-------------|-------------------------|--------------|-------------------------------|------------|
| \$0 | \$0 | \$3,977,893 | \$1,168,124 | \$0 | \$22,618,398 | 7.23% | \$1,730 |
| 0 | 0 | 4,729,073 | 1,243,418 | 0 | 19,209,516 | 6.73 | 1,351 |
| 0 | 0 | 5,442,910 | 1,210,512 | 0 | 20,760,839 | 7.28 | 1,461 |
| 0 | 0 | 6,121,100 | 899,418 | 0 | 21,933,100 | 7.69 | 1,543 |
| 0 | 0 | 6,765,264 | 793,921 | 0 | 23,253,414 | 8.15 | 1,636 |
| 0 | 0 | 7,376,946 | 835,931 | 608,150 | 23,715,171 | 8.31 | 1,668 |
| 40,000 | 0 | 7,957,546 | 785,311 | 0 | 23,755,814 | 8.32 | 1,671 |
| 80,000 | 0 | 8,224,551 | 45,796 | 0 | 24,050,758 | 8.43 | 1,692 |
| 120,000 | 1,070,000 | 8,366,857 | 49,959 | 670,400 | 32,241,783 | 11.30 | 2,268 |
| 155,000 | 1,145,000 | 7,793,761 | 54,122 | 670,400 | 22,470,958 | 7.87 | 1,581 |



City of Bedford, Ohio
*Ratio of General Obligation Bonded Debt to Estimated True
 Values of Taxable Property and Bonded Debt Per Capita
 Last Ten Years*

| Year | Population (1) | | Estimated True Values of Taxable Property (2) | Gross Bonded Debt (3) | Ratio of Bonded Debt to Estimated True Values of Taxable Property | Bonded Debt Per Capital |
|------|----------------|---|--|-----------------------------|--|-------------------------------|
| 2010 | 13,074 | b | \$770,353,067 | \$11,963,792 | 1.55 % | \$915.08 |
| 2009 | 14,214 | a | 917,389,246 | 10,341,088 | 1.13 | 727.53 |
| 2008 | 14,214 | a | 992,180,325 | 10,861,303 | 1.09 | 764.13 |
| 2007 | 14,214 | a | 874,106,513 | 11,363,218 | 1.15 | 799.44 |
| 2006 | 14,214 | a | 881,166,405 | 11,816,833 | 1.34 | 831.35 |
| 2005 | 14,214 | a | 886,322,708 | 10,780,000 | 1.22 | 758.41 |
| 2004 | 14,214 | a | 832,745,122 | 11,165,000 | 1.34 | 785.49 |
| 2003 | 14,214 | a | 828,140,087 | 11,590,000 | 1.40 | 815.39 |
| 2002 | 14,214 | a | 816,469,791 | 11,855,000 | 1.45 | 834.04 |
| 2001 | 14,214 | a | 734,771,784 | 5,535,000 | 0.75 | 389.40 |

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County Auditor

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

City of Bedford, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2010

| Jurisdiction | Governmental Activities Debt Outstanding | Percentage Applicable to City (1) | Amount Applicable to City of Bedford |
|---|--|---|---|
| Direct - City of Bedford | | | |
| General Obligation Bonds | \$11,963,792 | 100.00% | \$11,963,792 |
| Special Assessment Bonds | 310,000 | 100.00% | 310,000 |
| OPWC Loans | 337,199 | 100.00% | 337,199 |
| Capital Leases | 22,845 | 100.00% | 22,845 |
| Police Pension | 185,871 | 100.00% | 185,871 |
| <i>Total Direct Debt</i> | <u>12,819,707</u> * | | <u>12,819,707</u> |
| Overlapping | | | |
| Bedford School District | | | |
| General Obligation Bonds | 6,452,208 | 37.68% | 2,431,192 |
| Loans | 210,000 | 37.68% | 79,128 |
| Capital Leases | 96,000 | 37.68% | 36,173 |
| Cuyahoga County | | | |
| General Obligation Bonds | 141,947,000 | 0.92% | 1,305,912 |
| Capital Leases | 20,863,000 | 0.92% | 191,940 |
| Revenue Bonds | 88,220,000 | 0.92% | 811,624 |
| Loans | 4,103,000 | 0.92% | 37,748 |
| Greater Cleveland Regional Transit Authority | | | |
| | <u>188,874,769</u> | 0.92% | <u>1,737,648</u> |
| <i>Total Overlapping Debt</i> | <u>450,765,977</u> | | <u>6,631,363</u> |
| Total | <u><u>\$463,585,684</u></u> | | <u><u>\$19,451,070</u></u> |

Source: Cuyahoga County, Ohio; County Auditor

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

* \$11,215,000 of the total \$11,963,792 of total outstanding general obligation debt is backed by two revenue sources.

\$7,400,000 of general obligation bonds for the construction of the Municipal Complex is backed by 1/4 percent municipal income tax, effective for collections on January 1, 2000.

\$1,670,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$310,000 is the amount of Special Assessment debt outstanding and is predominantly paid by businesses on the main routes of the City.

A final source of revenue for the repayment of this debt is real estate taxes. We do not anticipate that any of the \$9,070,000 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio
Legal Debt Margin
Last Ten Years

| | 2010 | 2009 | 2008 | 2007 |
|---|----------------------|----------------------|----------------------|----------------------|
| Population | 13,074 | 14,214 | 14,214 | 14,214 |
| Total Assessed Property Value | <u>\$273,760,880</u> | <u>\$293,946,130</u> | <u>\$306,869,373</u> | <u>\$282,809,736</u> |
| General Bonded Debt Outstanding: | | | | |
| General Obligation Notes/Bonds | \$16,970,000 | \$12,680,000 | \$13,455,000 | \$14,200,000 |
| General Obligation Revenue Notes/Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | 310,000 | 370,000 | 430,000 | 500,000 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| OPWC Loans | 1,505,323 | 1,628,806 | 1,644,089 | 1,381,184 |
| OWDA Loans | <u>4,162,292</u> | <u>4,991,234</u> | <u>5,774,833</u> | <u>6,526,785</u> |
| Total Gross Indebtedness | 22,947,615 | 19,670,040 | 21,303,922 | 22,607,969 |
| Less: | | | | |
| General Obligation Notes/Bonds | (12,075,900) | (9,809,700) | (10,473,500) | (11,110,600) |
| General Obligation Revenue Notes/Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | (310,000) | (370,000) | (430,000) | (500,000) |
| OPWC Loans | (1,505,323) | (1,628,806) | (1,488,054) | (1,381,184) |
| OWDA Loans | (4,162,292) | (4,991,234) | (5,774,833) | (6,526,785) |
| General Obligation Bond Retirement Fund Balance | <u>(5,458)</u> | <u>(527)</u> | <u>(20,324)</u> | <u>(229,285)</u> |
| Total Net Debt Applicable to Debt Limit | <u>4,888,642</u> | <u>2,869,773</u> | <u>3,117,211</u> | <u>2,860,115</u> |
| Overall Legal Debt Limit (10 ½ % of Assessed Valuation) | <u>28,744,892</u> | <u>30,864,344</u> | <u>32,221,284</u> | <u>29,695,022</u> |
| Legal Debt Margin Within 10 ½ % Limitations | <u>\$23,856,250</u> | <u>\$27,994,571</u> | <u>\$29,104,073</u> | <u>\$26,834,907</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 82.99% | 90.70% | 90.33% | 90.37% |
| Unvoted Debt Limitation 5 ½ % of Assessed Valuation | <u>\$15,056,848</u> | <u>\$16,167,037</u> | <u>\$16,877,816</u> | <u>\$15,554,535</u> |
| Total Gross Indebtedness | 22,947,615 | 19,670,040 | 21,303,922 | 22,607,969 |
| Less: | | | | |
| General Obligation Notes/Bonds | (12,075,900) | (9,809,700) | (10,473,500) | (11,110,600) |
| General Obligation Revenue Notes/Bonds | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | (310,000) | (370,000) | (430,000) | (500,000) |
| OPWC Loans | (1,505,323) | (1,628,806) | (1,488,054) | (1,381,184) |
| OWDA Loans | (4,162,292) | (4,991,234) | (5,774,833) | (6,526,785) |
| General Obligation Bond Retirement Fund Balance | <u>(5,458)</u> | <u>(527)</u> | <u>(20,324)</u> | <u>(229,285)</u> |
| Net Debt Within 5 ½ % Limitations | <u>4,888,642</u> | <u>2,869,773</u> | <u>3,117,211</u> | <u>2,860,115</u> |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations | <u>\$10,168,206</u> | <u>\$13,297,264</u> | <u>\$13,760,605</u> | <u>\$12,694,420</u> |
| Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 67.53% | 82.25% | 81.53% | 81.61% |

Source: City Financial Records

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 14,214 | 14,214 | 14,214 | 14,214 | 14,214 | 14,214 |
| <u>\$291,754,871</u> | <u>\$294,249,915</u> | <u>\$276,354,300</u> | <u>\$275,248,992</u> | <u>\$275,222,717</u> | <u>\$248,313,876</u> |
| \$14,379,928 | \$12,925,000 | \$13,490,000 | \$14,095,000 | \$15,065,000 | \$5,545,714 |
| 0 | 0 | 0 | 0 | 1,070,000 | 1,145,000 |
| 570,000 | 635,000 | 750,000 | 865,000 | 970,000 | 1,070,000 |
| 0 | 1,200,000 | 0 | 0 | 0 | 5,000,000 |
| 1,323,876 | 615,614 | 667,965 | 720,318 | 772,670 | 1,430,586 |
| 7,244,711 | 7,930,155 | 8,586,780 | 9,211,698 | 8,769,032 | 7,847,883 |
| 23,518,515 | 23,305,769 | 23,494,745 | 24,892,016 | 26,646,702 | 22,039,183 |
| (11,628,095) | (11,035,000) | (11,545,000) | (12,024,896) | (13,065,000) | (5,545,714) |
| 0 | 0 | 0 | 0 | (1,070,000) | (1,145,000) |
| (570,000) | (635,000) | (750,000) | (865,000) | (970,000) | (1,070,000) |
| (1,323,876) | (615,614) | (667,965) | (720,318) | (772,670) | (1,430,586) |
| (7,244,711) | (7,930,155) | (8,586,780) | (9,211,698) | (8,769,032) | (7,847,883) |
| (334,663) | (47,795) | (47,543) | (79,634) | (84,136) | (473,223) |
| 2,417,170 | 3,042,205 | 1,897,457 | 1,990,470 | 1,915,864 | 4,526,777 |
| 30,634,261 | 30,896,241 | 29,017,202 | 28,901,144 | 28,898,385 | 26,072,957 |
| <u>\$28,217,091</u> | <u>\$27,854,036</u> | <u>\$27,119,745</u> | <u>\$26,910,674</u> | <u>\$26,982,521</u> | <u>\$21,546,180</u> |
| 92.11% | 90.15% | 93.46% | 93.11% | 93.37% | 82.64% |
| \$16,046,518 | \$16,183,745 | \$15,199,487 | \$15,138,695 | \$15,137,249 | \$13,657,263 |
| 23,518,515 | 23,305,769 | 23,494,745 | 24,892,016 | 26,646,702 | 22,039,183 |
| (11,628,095) | (11,035,000) | (11,545,000) | (12,024,896) | (13,065,000) | (5,545,714) |
| 0 | 0 | 0 | 0 | (1,070,000) | (1,145,000) |
| (570,000) | (635,000) | (750,000) | (865,000) | (970,000) | (1,070,000) |
| (1,323,876) | (615,614) | (667,965) | (720,318) | (772,670) | (1,430,586) |
| (7,244,711) | (7,930,155) | (8,586,780) | (9,211,698) | (8,769,032) | (7,847,883) |
| (334,663) | (47,795) | (47,543) | (79,634) | (84,136) | (473,223) |
| 2,417,170 | 3,042,205 | 1,897,457 | 1,990,470 | 1,915,864 | 4,526,777 |
| <u>\$13,629,348</u> | <u>\$13,141,540</u> | <u>\$13,302,030</u> | <u>\$13,148,225</u> | <u>\$13,221,385</u> | <u>\$9,130,486</u> |
| 84.94% | 81.20% | 87.52% | 86.85% | 87.34% | 66.85% |

City of Bedford, Ohio
Pledged Revenue Coverage
Revenue Debt - Water Fund
Last Ten Years

| Year | Water Service Charges and Interest | Direct Operating Expenses (2) | Net Available Revenue | Debt Service (1) | | Coverage |
|------|------------------------------------|-------------------------------|-----------------------|------------------|----------|----------|
| | | | | Principal | Interest | |
| 2010 | \$4,439,060 | \$4,317,927 | \$121,133 | \$0 | \$0 | n/a |
| 2009 | 4,122,298 | 3,687,421 | 434,877 | 0 | 0 | n/a |
| 2008 | 3,837,269 | 3,048,014 | 789,255 | 0 | 0 | n/a |
| 2007 | 3,645,886 | 3,295,844 | 350,042 | 0 | 0 | n/a |
| 2006 | 3,296,917 | 3,013,410 | 283,507 | 0 | 0 | n/a |
| 2005 | 3,434,611 | 3,079,704 | 354,907 | 0 | 0 | n/a |
| 2004 | 3,226,988 | 3,018,532 | 208,456 | 0 | 0 | n/a |
| 2003 | 3,054,900 | 3,013,467 | 41,433 | 80,000 | 70,835 | 0.27 |
| 2002 | 3,292,588 | 2,864,202 | 428,386 | 75,000 | 180,536 | 1.68 |
| 2001 | 3,033,056 | 2,606,282 | 426,774 | 70,000 | 187,706 | 1.66 |

(1) Revenue debt includes revenue bonds payable solely from net revenues in the City of Bedford water enterprise fund. The revenue bonds were issued in year 1991 in the amount of \$1,650,000 and were refunded to general obligation bonds in 2003.

(2) Direct operating expenses do not include depreciation.

(3) The Water System Mortgage Revenue bonds were refunded into general obligation bonds in 2003.

Source: City Financial Records

City of Bedford, Ohio
Pledged Revenue Coverage
Revenue Debt - Wastewater Fund
Last Ten Years

| Year | Wastewater Service Charges and Interest | Direct Operating Expenses (2) | Net Available Revenue | Debt Service (1) | | Coverage |
|------|---|-------------------------------------|--------------------------|------------------|-----------|----------|
| | | | | Principal | Interest | |
| 2010 | \$2,210,152 | \$1,437,937 | \$772,215 | \$900,236 | \$236,069 | 0.68 |
| 2009 | 2,151,622 | 1,375,304 | 776,318 | 837,884 | 250,222 | 0.71 |
| 2008 | 2,159,995 | 1,145,837 | 1,014,158 | 797,229 | 284,358 | 0.94 |
| 2007 | 2,154,440 | 1,498,860 | 655,580 | 763,203 | 325,221 | 0.60 |
| 2006 | 2,024,507 | 1,376,482 | 648,025 | 730,721 | 352,377 | 0.60 |
| 2005 | 2,210,383 | 1,296,688 | 913,695 | 679,082 | 383,294 | 0.86 |
| 2004 | 2,099,552 | 1,254,218 | 845,334 | 629,080 | 413,069 | 0.81 |
| 2003 | 2,098,879 | 1,083,100 | 1,015,779 | 521,828 | 344,265 | 1.17 |
| 2002 | 2,299,155 | 1,537,132 | 762,023 | 497,847 | 347,892 | 0.90 |
| 2001 | 2,406,602 | 1,130,194 | 1,276,408 | 474,977 | 391,117 | 1.47 |

(1) Revenue debt includes OWDA loans and OPWC loans payable solely from net revenues in the City of Bedford wastewater enterprise fund.

(2) Direct operating expenses do not include depreciation.

Source: City Financial Records

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

| 2010 | | |
|---|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| Ben Venue Laboratories Inc. | 1,422 | 9.72% |
| University Hospitals Health Systems | 996 | 6.81 |
| Wal-Mart Associates Inc. | 799 | 5.46 |
| Bedford Board of Education | 443 | 3.03 |
| US Bank National Association | 354 | 2.42 |
| City of Bedford | 340 | 2.32 |
| Riser Foods Company | 185 | 1.26 |
| Jay Pontiac Inc. | 185 | 1.26 |
| Tim Lally Chevrolet Inc. | 137 | 0.94 |
| Apple American Group LLC | 135 | 0.92 |
| Total | 4,996 | 34.14% |
| Total Employment within the City | 14,635 | |

| 2001 | | |
|------------------------------------|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| Ben Venue Laboratories Inc. | 770 | 4.81% |
| University Hospital Health Systems | 652 | 4.07 |
| Bedford Board of Education | 551 | 3.44 |
| Target Division of Dayton Hudson | 336 | 2.10 |
| City of Bedford | 328 | 2.05 |
| Alltel Communications | 324 | 2.02 |
| TOPS Inc. | 234 | 1.46 |
| Euclid Clinic Foundation | 201 | 1.25 |
| Jay Pontiac Inc. | 175 | 1.09 |
| Soft Lite Mintz | 169 | 1.06 |
| Total | 3,740 | 23.35% |
| Total City Employees | 16,020 | |

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

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

| Year | Population (1) | Total Personal Income (5) | Personal Income Per Capita (1) | Median Household Income (1) | Median Age (1) |
|------|----------------|---------------------------|--------------------------------|-----------------------------|----------------|
| 2010 | 13,074 | \$312,808,524 | \$23,926 | \$42,171 | 44 |
| 2009 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2008 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2007 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2006 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2005 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2004 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2003 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2002 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2001 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |

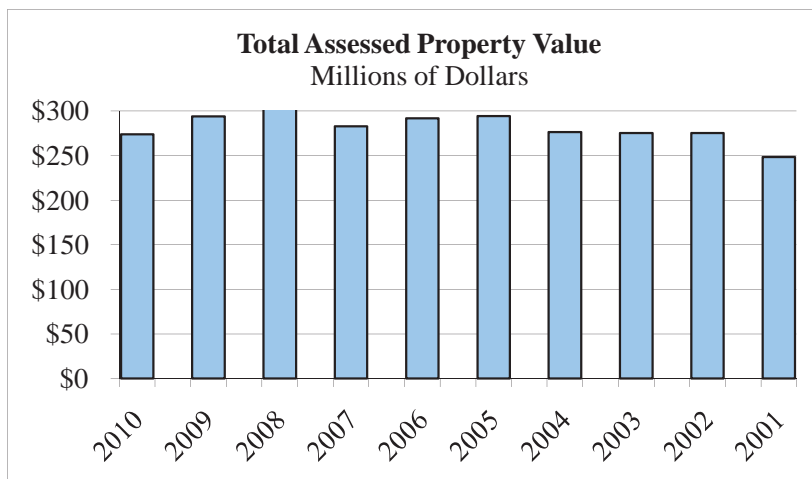
(1) Source: U. S. Census

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

(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County Auditor

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



| Educational Attainment: Bachelor's Degree or Higher (1) | School Enrollment (2) | Cuyahoga County Unemployment Rate (3) | Average Sales Price of Residential Property (4) | Total Assessed Property Value (4) |
|---|-----------------------|---------------------------------------|---|-----------------------------------|
| 16.7% | 4,011 | 8.6% | \$70,721 | \$273,760,880 |
| 18.2 | 4,170 | 9.0 | 66,630 | 293,946,130 |
| 18.2 | 4,108 | 7.1 | 93,827 | 306,869,373 |
| 18.2 | 3,925 | 6.1 | 98,124 | 282,809,736 |
| 18.2 | 3,908 | 5.5 | 104,772 | 291,754,871 |
| 18.2 | 3,680 | 5.9 | 115,395 | 294,249,915 |
| 18.2 | 3,912 | 6.3 | 92,400 | 276,354,300 |
| 18.2 | 3,637 | 6.2 | 92,400 | 275,248,992 |
| 18.2 | 3,720 | 5.7 | 92,400 | 275,222,717 |
| 18.2 | 3,842 | 4.5 | 92,400 | 248,313,876 |



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

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|---|---------------|---------------|---------------|---------------|
| General Government | | | | |
| Council | 8.00 | 8.00 | 8.00 | 8.00 |
| Finance | 5.50 | 5.50 | 5.50 | 5.50 |
| Tax | 3.50 | 3.00 | 3.50 | 3.50 |
| City Manager | 1.00 | 0.00 | 1.00 | 1.00 |
| Law | 1.00 | 1.50 | 1.00 | 1.00 |
| Administration | 3.00 | 2.50 | 4.00 | 4.00 |
| Engineer | 0.50 | 0.50 | 0.50 | 0.50 |
| Planning | 2.00 | 2.00 | 2.00 | 1.50 |
| Civil Service | 2.50 | 2.50 | 2.50 | 2.50 |
| Court | 33.50 | 31.50 | 35.50 | 36.50 |
| Public Building | 5.00 | 3.50 | 5.50 | 5.00 |
| Security of Persons and Property | | | | |
| Police | 32.00 | 31.00 | 35.00 | 33.00 |
| Police - Auxiliary/Guards | 14.50 | 14.50 | 16.00 | 16.50 |
| Police - Dispatchers/Office/Other | 14.00 | 15.00 | 15.50 | 15.00 |
| Police - Jailers | 2.50 | 2.50 | 2.50 | 2.50 |
| Police - Animal Wardens | 2.00 | 2.00 | 2.50 | 1.50 |
| Fire | 26.00 | 27.00 | 27.00 | 30.00 |
| Fire - Secretary - Other | 1.00 | 1.00 | 1.00 | 1.50 |
| Public Health Services | | | | |
| Cemetery | 2.00 | 1.00 | 1.00 | 1.00 |
| Leisure Time Activities | | | | |
| Recreation | 17.50 | 14.50 | 20.00 | 19.00 |
| Municipal Pool | 16.00 | 15.50 | 16.50 | 17.50 |
| Ellenwood Center | 3.50 | 5.50 | 3.50 | 5.50 |
| Community Development | | | | |
| Building | 5.50 | 5.50 | 5.50 | 5.50 |
| Economic Development | 1.00 | 1.00 | 2.00 | 2.00 |
| Transportation | | | | |
| Service | 17.50 | 19.50 | 20.50 | 20.00 |
| Street Maintenance and Repair | 8.00 | 2.00 | 6.50 | 6.50 |
| Basic Utility Services | | | | |
| Water | 8.50 | 8.50 | 9.00 | 8.50 |
| Wastewater | 10.50 | 10.00 | 10.50 | 10.00 |
| Totals: | <u>247.50</u> | <u>236.50</u> | <u>263.50</u> | <u>264.50</u> |

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

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

(1) Information prior to 2002 is not available

| 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------|---------------|---------------|---------------|---------------|
| 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| 5.50 | 5.50 | 5.00 | 5.50 | 5.50 |
| 3.50 | 3.00 | 3.50 | 3.00 | 3.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.50 | 1.50 | 1.00 |
| 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 34.50 | 30.00 | 35.00 | 35.00 | 35.00 |
| 5.00 | 5.00 | 4.00 | 4.00 | 2.00 |
| 33.00 | 32.00 | 32.00 | 30.00 | 30.00 |
| 17.50 | 12.50 | 12.50 | 13.00 | 13.00 |
| 10.00 | 12.50 | 12.50 | 13.50 | 13.50 |
| 3.00 | 2.00 | 3.00 | 2.00 | 2.00 |
| 2.00 | 2.00 | 2.00 | 1.50 | 1.50 |
| 30.00 | 28.00 | 29.00 | 30.00 | 30.00 |
| 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| 2.00 | 1.50 | 1.50 | 2.50 | 2.50 |
| 17.50 | 14.00 | 14.00 | 14.00 | 1.50 |
| 16.00 | 15.00 | 15.00 | 15.50 | 15.00 |
| 5.00 | 6.50 | 6.50 | 5.50 | 4.50 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| 20.50 | 24.50 | 24.50 | 21.00 | 23.00 |
| 6.50 | 4.50 | 4.50 | 5.00 | 4.00 |
| 7.00 | 9.50 | 9.50 | 8.50 | 7.50 |
| 11.00 | 11.00 | 11.00 | 11.50 | 11.00 |
| <u>256.00</u> | <u>245.50</u> | <u>252.00</u> | <u>248.00</u> | <u>231.00</u> |

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

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|--|--------------|--------------|--------------|--------------|
| General Government | | | | |
| <i>Council & Clerk</i> | | | | |
| Number of Ordinances Passed | 231 | 276 | 265 | 133 |
| Number of Resolutions Passed | 25 | 17 | 23 | 9 |
| <i>Finance Department</i> | | | | |
| Number of checks/ vouchers issued | 4,158 | 4,089 | 4,377 | 4,795 |
| Amount of checks written | \$22,247,906 | \$22,593,479 | \$23,125,393 | \$24,035,165 |
| Interest earnings for fiscal year (cash basis) | \$80,918 | \$261,084 | \$536,297 | \$948,213 |
| Number of Receipts issued | 1,798 | 1,802 | 1,677 | 1,665 |
| Number of Journal Entries issued | 1,043 | 1,015 | 1,166 | 1,059 |
| Number of Budget Adjustments issued | 93 | 88 | 115 | 112 |
| Agency Ratings - Standard & Poors | AA | AA- | AA- | AA- |
| Agency Ratings - Moody's Financial Services | AA2 | A1 | A1 | A1 |
| Health Insurance Costs vs General Fund Expenditures % | 11.33% | 12.98% | 13.25% | 12.49% |
| General Fund Receipts (cash basis in thousands) | \$20,947 | \$20,887 | \$21,478 | \$22,709 |
| General Fund Expenditures (cash basis in thousands) | \$14,832 | \$17,007 | \$17,047 | \$23,570 |
| General Fund Cash Balances (in thousands) | \$6,598 | \$6,283 | \$7,903 | \$9,392 |
| <i>Income Tax Department</i> | | | | |
| Number of Individual Returns | 6,509 | 6,324 | 6,760 | 6,808 |
| Number of Business Returns | 2,689 | 2,784 | 2,877 | 2,650 |
| Number of business withholding accounts | 1,015 | 1,249 | 1,230 | 1,610 |
| Amount of Penalties and Interest Collected | \$158,390 | \$134,751 | \$134,751 | \$135,901 |
| Annual number of Corporate withholding forms processed | 6,598 | 7,332 | 7,296 | 9,088 |
| Annual number of balance due statements forms processed | 13,754 | 16,407 | 15,509 | 13,486 |
| Annual number of estimated payment forms processed | 8,622 | 9,835 | 11,530 | 12,007 |
| Annual number of reconciliations of withholdings processed | 1,154 | 1,026 | 1,296 | 1,625 |
| <i>Engineer Contracted Services</i> | | | | |
| Dollar amount of Construction overseen by Engineer | \$2,302,984 | \$377,787 | \$1,453,306 | \$1,981,083 |
| <i>Municipal Court</i> | | | | |
| Number of Civil Cases | 4,558 | 4,664 | 5,770 | 5,267 |
| Number of Criminal cases | 9,869 | 10,675 | 11,400 | 10,732 |
| <i>Vital Statistics</i> | | | | |
| Certificates Filed | | | | |
| Number of Births | 4 | 1 | 1 | 2 |
| Number of Deaths | 242 | 233 | 266 | 232 |
| Certificates Issued | | | | |
| Number of Births | 535 | 685 | 859 | 1,055 |
| Number of Deaths | 1,112 | 1,104 | 1,385 | 960 |
| Burial Permits Issued | 668 | 646 | 698 | 606 |
| <i>Civil Service</i> | | | | |
| Number of police entry tests administered | 0 | 0 | 0 | 1 |
| Number of fire entry tests administered | 1 | 0 | 0 | 0 |
| Number of police promotional tests administered | 1 | 0 | 0 | 2 |
| Number of fire promotional tests administered | 0 | 0 | 0 | 1 |
| Number of hires of Police Officers from certified lists | 0 | 0 | 2 | 0 |
| Number of hires of Fire/Medics from certified lists | 0 | 0 | 0 | 0 |
| Number of promotions from police certified lists | 0 | 1 | 3 | 0 |
| Number of promotions from fire certified lists | 0 | 0 | 1 | 0 |

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 90 | 117 | 90 | 56 | 84 | 105 |
| 9 | 20 | 27 | 17 | 22 | 20 |
| 4,428 | 5,658 | 5,144 | 4,701 | 4,844 | 5,029 |
| \$21,085,783 | \$24,398,291 | \$22,180,264 | \$24,678,378 | \$33,169,166 | \$31,699,956 |
| \$710,467 | \$416,804 | \$221,336 | \$263,675 | \$738,521 | \$1,498,727 |
| 1,628 | 1,717 | 1,672 | 1,716 | 1,981 | 1,878 |
| 826 | 808 | 701 | 697 | 684 | 628 |
| 122 | 136 | 163 | 134 | 110 | 121 |
| AA- | A+ | A+ | A+ | A+ | A+ |
| A1 | A1 | A1 | A1 | A1 | A1 |
| 11.79% | 12.01% | 14.25% | 9.85% | 9.99% | 8.37% |
| \$17,725 | \$16,088 | \$14,958 | \$14,128 | \$15,801 | \$14,209 |
| \$15,203 | \$15,299 | \$15,299 | \$15,535 | \$14,146 | \$15,410 |
| \$10,214 | \$7,613 | \$7,316 | \$7,657 | \$9,064 | \$7,409 |
| 7,274 | 7,973 | 8,660 | 11,336 | 10,000 | 10,000 |
| 2,700 | 2,575 | 2,693 | 2,525 | 2,000 | 2,000 |
| 1,861 | 1,885 | 1,929 | 1,396 | n/a | n/a |
| \$255,463 | \$133,572 | \$124,942 | \$112,013 | \$120,607 | \$124,939 |
| 10,076 | 10,372 | 10,772 | n/a | n/a | n/a |
| 15,939 | 17,016 | 17,397 | n/a | n/a | n/a |
| 12,385 | 12,619 | 12,646 | n/a | n/a | n/a |
| 1,884 | 1,910 | 1,941 | n/a | n/a | n/a |
| \$572,572 | \$2,582,246 | \$2,130,797 | \$1,729,184 | \$3,828,951 | \$2,557,033 |
| 4,577 | 4,378 | 4,074 | 3,642 | 3,378 | 3,274 |
| 10,289 | 10,521 | 11,254 | 11,875 | 12,345 | 15,983 |
| 2 | 2 | 436 | 398 | 465 | n/a |
| 255 | 261 | 196 | 241 | 291 | n/a |
| 1,226 | 1,239 | 1,369 | 1,459 | 1,668 | n/a |
| 1,327 | 1,487 | 1,101 | 1,574 | 1,651 | n/a |
| 465 | 454 | 462 | 602 | 633 | n/a |
| 1 | 1 | 0 | 0 | 1 | 0 |
| 1 | 1 | 0 | 0 | 0 | 1 |
| 0 | 0 | 1 | 1 | 0 | 0 |
| 0 | 0 | 0 | 0 | 1 | 0 |
| 0 | 0 | 2 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1 | 1 | 5 | 0 |
| 0 | 0 | 0 | 0 | 5 | 1 |

(continued)

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

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|--|--------------|-------------|-------------|--------------|
| Building Department Indicators | | | | |
| Construction Permits Issued | 129 | 145 | 129 | 127 |
| Estimated Value of Construction | \$20,457,039 | \$1,438,179 | \$6,321,592 | \$27,740,947 |
| Number of all permits issued | 806 | 759 | 848 | 905 |
| Amount of Revenue generated from permits | \$60,187 | \$29,842 | \$77,938 | \$162,079 |
| Number of contract registrations issued | 471 | 495 | 450 | 517 |
| Number of rental inspections performed | 564 | 475 | 451 | 442 |
| Number of point of sale inspections | 228 | 227 | 253 | 304 |
| Annual Apartment/Rooming House License Fees | \$37,830 | \$38,900 | \$36,040 | \$37,780 |
| Revenue generated from inspections | \$82,905 | \$83,120 | \$87,985 | \$85,780 |
| Security of Persons & Property | | | | |
| Police | | | | |
| Total Calls for Services | 22,378 | 23,467 | 24,866 | 22,454 |
| Number of traffic citations issued | 1,887 | 2,233 | 2,505 | 2,568 |
| Number of parking citations issued | 1,493 | 1,447 | 1,438 | 1,280 |
| Number of criminal arrests | 1,978 | 2,367 | 2,284 | 1,718 |
| Number of accident reports completed | 307 | 336 | 470 | 553 |
| Part 1 Offenses (major offenses) | 571 | 669 | 600 | 657 |
| Animal Warden service calls responded to per annual report | 1,469 | 1,532 | 1,542 | 1,535 |
| Police Dept. Auxiliary hours worked | 3,303 | 4,315 | 3,529 | 3,439 |
| DUI Arrests | 46 | 44 | 48 | 35 |
| Prisoners | 1,562 | 1,860 | 1,672 | 1,456 |
| Prisoner meal costs | \$16,013 | \$30,929 | \$28,509 | \$20,517 |
| Juvenile Arrests | 289 | 349 | 455 | 340 |
| Different Juvenile Arrests | 223 | 267 | 268 | 253 |
| Juvenile Repeat Offenders | 38 | 51 | 65 | 49 |
| Motor Vehicle Accidents | 302 | 323 | 459 | 541 |
| Property damage accidents | 18 | 30 | 36 | 430 |
| Fatalities from Motor Vehicle Accidents | 1 | 0 | 2 | 1 |
| Gasoline costs of fleet | \$46,347 | \$55,521 | \$86,900 | \$67,244 |
| Community Diversion Program Youths | 38 | 64 | 49 | 45 |
| Community Diversion Program - community service hours | 408 | 548 | 516 | 648 |
| Fire | | | | |
| EMS Calls | 1,776 | 1,673 | 1,954 | 1,704 |
| Ambulance Billing Collections (net) | \$359,515 | \$400,528 | \$429,346 | \$354,920 |
| Fire Calls | 917 | 583 | 502 | 526 |
| Fires with Loss | 14 | 13 | 28 | 44 |
| Fires with Losses exceeding \$25K | 1 | 6 | 2 | 6 |
| Fire Losses \$ | \$112,650 | \$299,000 | \$160,170 | \$427,900 |
| Fire Safety Inspections | 369 | 392 | 393 | 398 |
| Number of times Mutual Aid given to Fire and EMS | 70 | 105 | 111 | 166 |
| Number of times Mutual Aid received for Fire and EMS | 123 | 89 | 13 | 42 |
| Public Health & Welfare | | | | |
| Cemetery burials | 37 | 289 | 23 | 39 |
| Cemetery cremations | 9 | 17 | 13 | 9 |
| Cemetery sale of lots | 20 | 45 | 40 | 36 |
| Cemetery receipts | \$32,865 | \$45,120 | \$39,230 | \$43,705 |

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------|--------------|-------------|-------------|--------------|-------------|
| 127 | 120 | 145 | 155 | 181 | 161 |
| \$5,260,975 | \$36,405,800 | \$6,370,050 | \$3,594,730 | \$42,117,927 | \$4,372,017 |
| 912 | 918 | 896 | 851 | 1,021 | 968 |
| \$65,057 | \$64,474 | \$41,899 | \$40,099 | \$62,639 | \$53,520 |
| 605 | 453 | 441 | 441 | 551 | 545 |
| 470 | 503 | 398 | 397 | 344 | 355 |
| 347 | 342 | 335 | 300 | 270 | 319 |
| \$31,550 | \$7,560 | \$8,495 | \$9,375 | \$8,345 | \$7,275 |
| \$92,712 | \$59,803 | \$56,620 | \$60,690 | \$55,780 | \$57,420 |
| 15,000 | 10,536 | 10,042 | 9,858 | 10,421 | 10,055 |
| 2,574 | 3,214 | 2,462 | 3,602 | 4,070 | 3,086 |
| 1,434 | 1,427 | 1,506 | 1,648 | 1,903 | 2,002 |
| 1,863 | 1,610 | 2,204 | 1,546 | 1,663 | 1,724 |
| 486 | 544 | 584 | 573 | 571 | 601 |
| 576 | 540 | 480 | 407 | 564 | 485 |
| 1,732 | 1,566 | 2,186 | 1,478 | 1,470 | 1,381 |
| 2,668 | 2,892 | 2,758 | 2,345 | 2,276 | 2,375 |
| 48 | 50 | 77 | 71 | 59 | 80 |
| 1,510 | 1,415 | 1,482 | 1,338 | 1,393 | 1,214 |
| \$16,139 | \$14,157 | \$15,754 | \$15,019 | \$11,988 | \$5,388 |
| 332 | 168 | n/a | n/a | n/a | n/a |
| 253 | 159 | n/a | n/a | n/a | n/a |
| 47 | 9 | n/a | n/a | n/a | n/a |
| 486 | 526 | 584 | 573 | 563 | 603 |
| 422 | 452 | 501 | 491 | 472 | 467 |
| 0 | 1 | 1 | 0 | 0 | 0 |
| \$45,645 | \$36,301 | \$38,858 | \$31,231 | \$26,256 | \$29,327 |
| 45 | 75 | 73 | 49 | 70 | 147 |
| 670 | 1,048 | 1,026 | 820 | 956 | 870 |
| 1,536 | 1,629 | 1,608 | 1,397 | 1,483 | 1,534 |
| \$348,187 | \$390,749 | \$282,012 | \$252,084 | \$254,885 | \$270,238 |
| 505 | 540 | 449 | 417 | 382 | 359 |
| 35 | 28 | 25 | 30 | 25 | 25 |
| 3 | 8 | 7 | 5 | 4 | 4 |
| \$251,950 | \$459,700 | \$401,150 | \$365,400 | \$135,510 | \$217,100 |
| 398 | 425 | 464 | 343 | 296 | n/a |
| 168 | 115 | 133 | 144 | 117 | 106 |
| 43 | 62 | 60 | 41 | 43 | 48 |
| 42 | 35 | 38 | 50 | 29 | 52 |
| 22 | 19 | 22 | 20 | 16 | 14 |
| 28 | 46 | 90 | 57 | 46 | 57 |
| \$45,941 | \$48,380 | \$66,517 | \$46,207 | \$35,553 | \$50,177 |

(continued)

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

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|--|------------------|------------------|------------------|------------------|
| Leisure Time Activities | | | | |
| <i>Recreation</i> | | | | |
| Recreation Swimming pool receipts | \$40,128 | \$35,152 | \$39,378 | \$37,950 |
| Recreation Mens & Womens Leagues receipts | 41,249 | 45,542 | 31,948 | 21,666 |
| Senior Van Fees | 2,804 | 2,793 | 2,268 | 2,175 |
| Playground Registration | 21,027 | 19,930 | 20,509 | 23,410 |
| Ellenwood Facilities rentals | 26,504 | 24,278 | 19,857 | 18,723 |
| Total Recreation Department receipts | <u>\$131,712</u> | <u>\$127,695</u> | <u>\$113,960</u> | <u>\$103,924</u> |
| Community Development | | | | |
| Grant amounts received due to Economic Development Dept. | \$664,367 | \$11,913 | \$461,066 | \$457,011 |
| Basic Utility Services | | | | |
| Refuse disposal per year (in tons) August through July | 4,717 | 4,769 | 5,200 | 5,308 |
| Refuse disposal costs per year August through July | \$715,970 | \$723,149 | \$719,902 | \$509,870 |
| Cost per household per month | \$13 | \$13 | \$13 | \$9 |
| Annual recycling tonnage (excluding leaf, and compost items) | 347 | 379 | 439 | 440 |
| Percentage of waste recycled | 6.85% | 7.36% | 7.79% | 7.65% |
| Transportation | | | | |
| Street Improvements - asphalt overlay (linear feet) | 36,900 | 0 | 5,200 | 0 |
| Rejuvenating Spray on Streets (Miles) | 0.00 | 0.00 | 0.00 | 0.00 |
| Crackseal Coating Program (Miles) | 7.20 | 70.20 | 7.20 | 7.20 |
| Street Repair (Curbs, aprons, berms, asphalt) (hours) | 3,410 | 4,049 | 4,180 | 3,577 |
| Guardrail Repair (hours) | 48 | 48 | 48 | 48 |
| Paint Striping (hours) | 680 | 1,013 | 876 | 960 |
| Street Sweeper (hours) | 808 | 702 | 831 | 754 |
| Cold Patch (hours) | 1,392 | 2,729 | 1,868 | 1,248 |
| Snow & Ice Removal regular hours | 1,558 | 760 | 730 | 630 |
| Snow & Ice Removal overtime hours | 1,864 | 855 | 1,598 | 1,125 |
| Sewer and Sanitary calls for service | 894 | 956 | 834 | 845 |
| After hours Sewer Calls (hours) | 331 | 416 | 1,506 | 1,636 |
| Sewer Crew (hours) | 2,494 | 3,718 | 3,747 | 3,632 |
| Sewer jet, Vac-all, other services (hours) | 2,423 | 1,993 | 2,209 | 1,573 |
| Landscaping Stump-Chipper service (hours) | 4,947 | 4,190 | 6,003 | 5,320 |
| Leaf collection (hours) | 2,313 | 2,424 | 2,243 | 2,670 |
| Holiday lights setup (hours) | 1,636 | 1,444 | 1,352 | 1,449 |
| Downtown Square Repair after events (hours) | 60 | 340 | 340 | 340 |
| Equipment repair/body shop (hours) | 6,391 | 6,945 | 6,842 | 5,591 |
| Sign department (hours) | 856 | 456 | 1,502 | 1,559 |
| Number of Trees Planted per year | 60-80 | 60-80 | 60-80 | 60-80 |
| Tons of snow melting salt purchased (Nov-Mar) | 5,821 | 5,793 | 1,510 | 6,885 |
| Cost of salt purchased | \$261,002 | \$252,186 | \$128,362 | \$269,153 |
| Tons of road traction ice grits purchased | 0 | 0 | 1,316 | 0 |
| Cost of ice gritr purchased | \$0 | \$0 | \$21,842 | \$0 |
| Water Department | | | | |
| Water Rates per 1st 300 Cu ft of water used | \$23 | \$21 | \$19 | \$17 |
| Avg. number of water accounts billed monthly (Cu. Ft.) | 5,003 | 5,008 | 4,999 | 5,004 |
| Total Water Collections Annually (Including P&I) | \$4,341,474 | \$3,954,828 | \$3,532,663 | \$3,445,995 |
| Payments to Cleveland for bulk water purchases | \$3,447,605 | \$2,868,742 | \$2,637,600 | \$2,506,466 |
| Wastewater Department | | | | |
| Wastewater Rates per 1st 300 Cu ft of water used | \$15.00 | \$14.00 | \$14.00 | \$13.18 |
| Total flow of wastewater treatment plant (Billions of Gallons) | 0.868 | 0.879 | 0.966 | 0.949 |
| Average daily flow (Millions of gallons per day) | 2.379 | 2.407 | 2.638 | 2.601 |
| Tons of dry sludge removed | 250.40 | 242.73 | 228.14 | 233.04 |

(1) Information compiled from the various City of Bedford Departments.

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$37,637 | \$36,687 | \$27,857 | \$34,556 | \$42,043 | \$36,570 |
| 15,513 | 18,962 | 18,979 | 25,217 | 22,282 | 23,880 |
| 2,403 | 2,593 | 2,955 | 3,056 | 3,050 | 3,580 |
| 17,833 | 10,750 | 2,390 | 2,210 | 1,785 | 1,930 |
| 21,050 | 26,274 | 23,237 | 25,792 | 26,767 | 31,447 |
| <u>\$94,436</u> | <u>\$95,266</u> | <u>\$75,418</u> | <u>\$90,831</u> | <u>\$95,927</u> | <u>\$97,407</u> |
| \$1,109,423 | \$269,071 | \$195,472 | \$551,560 | \$219,277 | \$357,368 |
| 5,955 | 5,751 | 5,909 | 5,878 | 6,090 | 6,519 |
| \$544,013 | \$490,430 | \$478,351 | \$462,900 | \$508,996 | \$500,653 |
| \$10 | \$9 | \$8 | \$8 | \$9 | \$9 |
| 514 | 487 | 599 | 735 | 593 | 615 |
| 7.95% | 7.81% | 9.20% | 11.11% | 8.87% | 8.62% |
| 0 | 16,400 | 6,650 | 25,100 | 11,900 | 14,066 |
| 1.15 | 1.15 | 2.26 | 2.66 | 2.66 | 3.37 |
| 7.20 | 7.20 | 7.20 | 7.20 | 7.20 | 7.20 |
| 4,508 | 3,941 | 3,844 | 4,663 | 2,600 | 2,167 |
| 36 | 40 | 144 | 16 | 80 | 80 |
| 1,439 | 1,668 | 1,012 | 728 | 1,240 | 1,411 |
| 760 | 832 | 1,004 | 975 | 975 | 958 |
| 1,924 | 2,419 | 2,492 | 993 | 1,795 | 1,896 |
| 316 | 608 | 760 | 580 | 612 | 808 |
| 473 | 1,807 | 1,349 | 1,581 | 934 | 468 |
| 1,002 | 894 | 869 | 894 | 952 | 1,139 |
| 1,765 | 1,865 | 1,727 | 1,412 | 1,703 | 1,916 |
| 3,690 | 3,806 | 3,481 | 3,432 | 3,568 | 3,613 |
| 3,483 | 411 | 2,226 | 890 | 207 | 1,470 |
| 5,574 | 5,429 | 4,796 | 5,532 | 5,238 | 5,100 |
| 2,310 | 2,136 | 2,566 | 2,686 | 3,114 | 2,992 |
| 1,605 | 1,798 | 1,699 | 1,452 | 1,803 | 1,505 |
| 682 | 420 | 420 | 300 | 120 | 54 |
| 7,574 | 7,658 | 6,824 | 6,486 | 6,842 | 6,859 |
| 1,541 | 1,332 | 2,177 | 2,145 | 2,032 | 1,927 |
| 60-80 | 60-80 | 60-80 | 60-80 | 60-80 | 60-80 |
| 6,132 | 6,578 | 6,900 | 7,900 | 3,200 | 5,400 |
| \$230,080 | \$218,854 | \$193,980 | \$225,308 | \$133,120 | \$127,710 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$17 | \$16 | \$16 | \$15 | \$15 | \$14 |
| 4,967 | 4,899 | 4,911 | 4,961 | 4,982 | 4,980 |
| \$2,987,122 | \$3,392,654 | \$3,117,530 | \$3,126,382 | \$3,164,975 | \$2,833,238 |
| \$2,295,957 | \$2,546,858 | \$2,499,987 | \$2,544,728 | \$2,339,734 | \$2,234,770 |
| \$13.18 | \$13.18 | \$13.18 | \$13.18 | \$13.18 | \$13.18 |
| 1.018 | 1.018 | 1.054 | 1.024 | 0.913 | 0.844 |
| 2.764 | 2.788 | 2.880 | 2.806 | 2.502 | 2.313 |
| 266.06 | 214.42 | 205.71 | 199.09 | 167.98 | n/a |

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

| Function/Program | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------------------------------------|--------|--------|--------|--------|--------|
| General Government | | | | | |
| Square Footage Occupied | 44,035 | 44,035 | 44,035 | 44,035 | 44,035 |
| Administrative Vehicles | 2 | 2 | 3 | 2 | 2 |
| Inspection Vehicles | 3 | 3 | 3 | 3 | 3 |
| Municipal Court Vehicles | 1 | 1 | 2 | 2 | 2 |
| Lands & Buildings Vehicles | 2 | 2 | 2 | 2 | 2 |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Square Footage of Building | 21,667 | 21,667 | 21,667 | 21,667 | 21,667 |
| Vehicles | 22 | 22 | 23 | 22 | 20 |
| Fire | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Square Footage of Building | 14,774 | 14,774 | 14,774 | 14,774 | 14,774 |
| Vehicles | 13 | 12 | 12 | 10 | 10 |
| Recreation | | | | | |
| Number of Parks | 4 | 4 | 4 | 4 | 4 |
| Number of Pools | 1 | 1 | 1 | 1 | 1 |
| Number of Skateboarding Areas | 1 | 1 | 1 | 1 | 1 |
| Number of Baseball Diamonds | 7 | 7 | 7 | 7 | 7 |
| Number of Tot Lots | 4 | 4 | 4 | 4 | 4 |
| Number of Soccer Fields | 1 | 1 | 1 | 1 | 1 |
| Square Footage of Ellenwood Building | 25,433 | 25,433 | 25,433 | 25,433 | 25,433 |
| Vehicles | 13 | 13 | 15 | 14 | 13 |
| Other Public Works | | | | | |
| Streets (miles) | 48 | 48 | 48 | 48 | 48 |
| Service Vehicles | 60 | 57 | 58 | 55 | 54 |
| Wastewater | | | | | |
| Sanitary Sewers (miles) | 41.80 | 41.80 | 41.80 | 41.80 | 41.80 |
| Storm Sewers (miles) | 48.70 | 48.70 | 48.70 | 48.70 | 48.70 |
| Vehicles | 6 | 7 | 7 | 6 | 6 |
| Water Department | | | | | |
| Water Lines (miles) | 100 | 100 | 100 | 100 | 100 |
| Vehicles | 7 | 8 | 7 | 4 | 4 |

Source: City of Bedford

| 2005 | 2004 | 2003 | 2002 | 2001 |
|--------|--------|--------|--------|--------|
| 44,035 | 44,035 | 44,035 | 30,559 | 30,559 |
| 2 | 2 | 1 | 1 | 1 |
| 3 | 3 | 3 | 3 | 3 |
| 2 | 2 | 2 | 2 | 2 |
| 2 | 2 | 2 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 |
| 21,667 | 21,667 | 21,667 | 3,511 | 3,511 |
| 20 | 20 | 20 | 19 | 18 |
| 1 | 1 | 1 | 1 | 1 |
| 14,774 | 14,774 | 14,774 | 3,652 | 3,652 |
| 10 | 10 | 9 | 9 | 9 |
| 4 | 4 | 4 | 4 | 4 |
| 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 |
| 7 | 7 | 7 | 7 | 4 |
| 4 | 4 | 4 | 4 | 9 |
| 1 | 1 | 1 | 1 | 1 |
| 25,433 | 25,433 | 25,433 | 25,433 | 25,433 |
| 13 | 11 | 11 | 10 | 9 |
| 48 | 48 | 48 | 48 | 48 |
| 55 | 51 | 49 | 49 | 50 |
| 41.80 | 41.80 | 41.80 | 41.80 | 41.80 |
| 48.70 | 48.70 | 48.70 | 48.70 | 48.70 |
| 6 | 6 | 6 | 5 | 5 |
| 100 | 100 | 100 | 100 | 100 |
| 4 | 4 | 4 | 4 | 4 |

City of Bedford, Ohio
Major Assets and Current Appraised Replacement Costs
Last Six Years (1)

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|--|---------------------|---------------------|---------------------|---------------------|
| General Government | | | | |
| Municipal Complex | | | | |
| City Hall Building | \$2,790,117 | \$2,765,189 | \$2,629,059 | \$2,571,532 |
| City Hall Miscellaneous Equipment | 770,765 | 771,779 | 741,201 | 706,017 |
| Garage | 37,026 | 36,674 | 35,605 | 35,114 |
| Radio Building | 11,810 | 11,701 | 11,125 | 10,890 |
| Radio Tower | 39,549 | 39,348 | 36,119 | 35,060 |
| Police | | | | |
| Municipal Complex | | | | |
| Justice Center Building | 13,232,422 | 13,089,869 | 12,445,472 | 12,172,350 |
| Justice Center Miscellaneous Equipment | 2,052,055 | 2,018,069 | 1,874,287 | 1,793,900 |
| Fire | | | | |
| Municipal Complex | | | | |
| Station Building | 2,985,454 | 2,958,158 | 2,812,538 | 2,750,580 |
| Station Miscellaneous Equipment | 843,619 | 816,287 | 714,104 | 618,296 |
| <i>Total Municipal Complex</i> | <u>\$22,762,817</u> | <u>\$22,507,074</u> | <u>\$21,299,510</u> | <u>\$20,693,739</u> |
| Recreation | | | | |
| Ellenwood Rec Center | | | | |
| Building | \$4,214,709 | \$4,176,817 | \$3,971,176 | \$3,880,354 |
| Municipal Pool | | | | |
| Bathhouse Building | 266,485 | 264,044 | 242,512 | 217,214 |
| Swimming Pool | 968,039 | 960,261 | 894,439 | 477,207 |
| Other Public Works | | | | |
| Service | | | | |
| Garage - Solon Road | 1,756,094 | 1,690,926 | 1,573,218 | 1,491,010 |
| Garage - Salt Storage | 81,280 | 80,507 | 78,162 | 77,083 |
| Administration Building | 414,777 | 410,833 | n/a | n/a |
| Cemetery | | | | |
| Storage Building | 147,480 | 146,091 | 141,804 | 139,802 |

| <u>2006</u> | <u>2005</u> | <u>Year Asset Completed, Constructed or Received</u> | <u>Construction Costs</u> | <u>Replacement Factor Increase</u> |
|---------------------|---------------------|--|-------------------------------|--|
| \$2,145,077 | \$2,272,641 | 2003 | \$2,030,818 | 36.16 % |
| 662,990 | 632,257 | Various | 561,893 | 37.35 |
| 32,584 | 31,087 | 2003 | 27,419 | 33.75 |
| 10,058 | 9,618 | 1997 | 7,317 | 59.92 |
| 32,460 | 31,122 | 2003 | 27,378 | 43.72 |
| 11,253,749 | 10,758,102 | 2003 | 9,573,704 | 36.73 |
| 1,703,307 | 1,526,194 | Various | 1,245,745 | 62.00 |
| 2,543,267 | 2,431,164 | 2003 | 2,162,658 | 36.78 |
| 573,755 | 519,219 | Various | 502,303 | 62.51 |
| <u>\$18,957,247</u> | <u>\$18,211,404</u> | | <u>\$16,139,235</u> | 39.46 |
| \$3,582,170 | \$3,424,798 | 1964, 1984, 1998 | \$780,688 | 435.02 |
| 200,749 | 191,934 | 1969 | 58,986 | 347.64 |
| 443,171 | 425,676 | 1969, 1993 | 817,542 | 17.46 |
| 1,266,187 | 1,210,810 | 1953, 1972, 1979 | 545,316 | 210.08 |
| 71,532 | 68,243 | 1992 | 45,585 | 76.61 |
| n/a | n/a | 2009 | 389,322 | 5.53 |
| 129,765 | 123,788 | 1985 | 67,414 | 116.71 |

(continued)

City of Bedford, Ohio
Major Assets and Current Appraised Replacement Costs (continued)
Last Six Years (1)

| Function/Program | 2010 | 2009 | 2008 | 2007 |
|--|------------|------------|------------|------------|
| Wastewater | | | | |
| Sewage Treatment Plant | | | | |
| Administration Building | \$152,361 | \$150,957 | \$143,522 | \$140,487 |
| Administration Miscellaneous Equipment | 372,129 | 371,759 | 351,360 | 546,274 |
| Laboratory Building | 290,131 | 287,887 | 273,737 | 266,884 |
| Laboratory Miscellaneous Equipment | 139,761 | 139,626 | 133,040 | 127,561 |
| Filter Building | 246,860 | 244,585 | 232,540 | 227,623 |
| Filter Miscellaneous Equipment | 455,754 | 455,298 | 433,123 | 414,669 |
| Primary Settling Tanks | 717,011 | 711,251 | 320,057 | 297,230 |
| Primary Settling Tanks - Miscellaneous Equipment | 568,642 | 568,074 | 540,405 | 517,382 |
| Oxidation Tower East Building | 551,859 | 547,425 | 509,897 | 471,568 |
| Oxidation Tower East - Miscellaneous Equipment | 948,582 | 647,634 | 901,478 | 863,071 |
| Oxidation Tower West Building | 551,859 | 547,425 | 509,897 | 471,568 |
| Oxidation Tower West - Miscellaneous Equipment | 948,582 | 947,634 | 901,478 | 863,071 |
| Equalization Basin Building | 1,471,013 | 1,459,194 | 1,113,837 | 1,034,397 |
| Rapid Sand Filter Building | 628,800 | 623,007 | 592,325 | 579,801 |
| Rapid Sand Filter - Miscellaneous Equipment | 1,096,280 | 1,091,302 | 1,028,298 | 984,591 |
| Final Settling Tank #2 Building | 367,700 | 364,746 | 339,740 | 301,091 |
| Final Settling Tank #2 - Miscellaneous Equipment | 141,655 | 141,513 | 134,620 | 128,885 |
| * Total Buildings | 31,922,836 | 31,566,895 | 28,906,781 | 27,648,845 |
| ** Total Miscellaneous Equipment | 8,337,824 | 7,968,975 | 7,753,394 | 7,563,717 |

Source: Industrial Appraisal Company: *Property Inventory & Accounting Cost Record Report - City of Bedford, Ohio*
Industrial Appraisal Company: *Summary Revaluation Report - City of Bedford, Ohio*

- * All unlisted buildings included
- ** All unlisted Miscellaneous equipment included (excludes vehicles)

(1) Information prior to 2005 is not available

| 2006 | 2005 | Year Asset Completed, Constructed or Received | Construction Costs | Replacement Factor Increase |
|------------|------------|--|-----------------------|--------------------------------|
| \$129,757 | \$124,086 | 1973 | \$30,639 | 392.70 % |
| 314,705 | 155,436 | Various | 479,908 | (22.54) |
| 247,689 | 236,455 | 1986 | 130,207 | 121.10 |
| 121,240 | 115,076 | Various | 70,769 | 97.30 |
| 210,237 | 201,050 | 1973 | 49,644 | 392.68 |
| 393,387 | 372,631 | Various | 238,373 | 91.00 |
| 276,031 | 265,135 | 1985 | 145,706 | 388.14 |
| 490,828 | 464,931 | Various | 313,461 | 81.23 |
| 437,935 | 420,647 | 1973, 2001 | 105,767 | 417.58 |
| 818,775 | 775,575 | Various | 724,950 | (10.67) |
| 437,935 | 420,647 | 1973, 2001 | 103,842 | 427.17 |
| 818,775 | 775,575 | Various | 724,950 | 30.72 |
| 960,623 | 922,700 | 1992, 1993, 1997 | 1,827,056 | (20.13) |
| 535,515 | 512,111 | 2001 | 436,529 | 42.72 |
| 934,181 | 885,020 | Various | 806,377 | 35.33 |
| 279,617 | 268,578 | 1973 | 68,666 | 431.19 |
| 122,270 | 115,819 | Various | 32,682 | 333.00 |
| 25,226,108 | 24,350,392 | | 19,432,203 | 62.45 |
| 6,954,213 | 6,337,733 | | 5,701,411 | 39.77 |

City of Bedford, Ohio
Vehicle/Transportation Cost Analysis
Last Ten Years

| Vehicle/Program | Current Replacement Costs | 2009 | 2008 | 2007 | 2006 |
|--|---------------------------------|----------|----------|----------|----------|
| Police | | | | | |
| Cost Per Patrol Car | \$22,509 | \$26,613 | \$22,463 | \$24,461 | \$23,941 |
| Fire | | | | | |
| Cost Per Fire Pumper (1) | 0 | 0 | 0 | 441,564 | 0 |
| Cost Per Ambulance | 0 | 0 | 0 | 167,192 | 0 |
| Service | | | | | |
| Cost Per Vac All (2) | 0 | 0 | 0 | 275,000 | 0 |
| Cost Per Street Sweeper | 0 | 0 | 0 | 115,000 | 0 |
| Cost Per Salt Truck | 0 | 0 | 105,622 | 110,000 | 0 |
| Cost Per Water Utility Truck | 0 | 41,021 | 0 | 0 | 0 |
| Road Construction | | | | | |
| Ohio Department of Transportation Construction Cost Composite Index (3) | 146.5 | 140.2 | 151.9 | 141.4 | 126.1 |

Sources: City of Bedford Finance Department

Ohio Department of Transportation

(1) Last purchase made in 1996 for \$292,362

(2) Last purchase made in 1991 for \$107,000

(3) Calculated indicator provided by the Ohio Department of Transportation for construction cost trends.

Significant increases due to crude oil, diesel, basic commodity prices for construction materials, energy costs, and raw material production.

| 2005 | 2004 | 2003 | 2002 | 2001 |
|----------|----------|----------|--------|----------|
| \$24,521 | \$24,212 | \$24,540 | \$0 | \$24,351 |
| 0 | 0 | 0 | 0 | 0 |
| 155,711 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 106,225 | 0 | 0 |
| 81,361 | 0 | 0 | 75,409 | 72,993 |
| 0 | 0 | 0 | 0 | 0 |
| 127 | 112 | 101.4 | 99.9 | 100 |

City of Bedford, Ohio
Water Utility Statistics
Last Ten Years

| | 2010 | 2009 | 2008 | 2007 |
|---|-------------|-------------|-------------|-------------|
| Gallons of Water Purchased from Cleveland | 110,165.44 | 96,955.60 | 95,405.00 | 95,465.00 |
| Gallons of Water Sold (Billed) to Users | 64,072.93 | 62,823.09 | 65,901.00 | 69,612.00 |
| Percent of Water Billed | 58.16% | 64.80% | 69.07% | 72.92% |
| Water Billings | \$4,288,675 | \$3,896,479 | \$3,632,402 | \$3,422,229 |
| Water Collections | \$4,341,474 | \$3,954,828 | \$3,532,663 | \$3,445,995 |
| Percentage Collected from Billings | 101.23% | 101.50% | 97.25% | 100.69% |
| Payments to City of Cleveland | \$3,447,605 | \$2,868,742 | \$2,637,600 | \$2,506,466 |
| Percentage of payments to the City of Cleveland compared to total water collections | 79.41% | 72.54% | 74.66% | 72.74% |

Source: City of Bedford Water Department

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 89,658.00 | 102,694.70 | 101,437.20 | 106,665.40 | 101,389.20 | 100,084.60 |
| 67,949.50 | 75,840.80 | 71,942.10 | 75,071.30 | 79,344.80 | 72,249.40 |
| 75.79% | 73.85% | 70.92% | 70.38% | 78.26% | 72.19% |
| \$2,932,256 | \$3,369,868 | \$3,080,348 | \$3,083,091 | \$3,116,242 | \$2,769,579 |
| \$2,987,122 | \$3,392,654 | \$3,117,530 | \$3,126,382 | \$3,164,975 | \$2,833,238 |
| 101.87% | 100.68% | 101.21% | 101.40% | 101.56% | 102.30% |
| \$2,295,957 | \$2,546,858 | \$2,499,987 | \$2,554,728 | \$2,339,734 | \$2,234,770 |
| 76.86% | 75.07% | 80.19% | 81.72% | 73.93% | 78.88% |

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City of Bedford, Ohio

**Single Audit Reports
For the Year Ended December 31, 2010**

City of Bedford, Ohio

For The Year Ended December 31, 2010

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

Members of the City Council
City of Bedford, Ohio

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio (the “City”) as of and for the year ended December 31, 2010, which collectively comprise the City’s basic financial statements and have issued our report thereon dated August 31, 2011, wherein we noted the City adopted *GASB Statement No. 51*, as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting: 2010-01. *A significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Members of the City Council
City of Bedford, Ohio

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated August 31, 2011.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses, and accordingly, we express no opinion on the responses.

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

Cini & Parichi, Inc.

Cleveland, Ohio
August 31, 2011

**Independent Auditors' Report on Compliance With Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Members of the City Council
City of Bedford, Ohio

Compliance

We have audited the City of Bedford, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Members of the City Council
City of Bedford, Ohio

A deficiency in internal control over compliance exists when the design of operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings as items 2010-02. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2010, and have issued our report thereon dated August 31, 2011, wherein we noted the City adopted *GASB Statement No. 51*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses, and accordingly, we express no opinion on the responses.

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

Cini & Paricki, Inc.

Cleveland, Ohio
August 31, 2011

City of Bedford, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2010

| <u>Federal Grantor/Pass-Through Grantor Program Title</u> | <u>Catalog of Federal Domestic Assistance No.</u> | <u>Federal Cash Receipts</u> | <u>Federal Cash Disbursements</u> |
|--|---|--------------------------------------|---|
| U.S. Department of Housing and Urban Development: | | | |
| Passed through the Ohio Department of Development: | | | |
| Passed through the Cuyahoga County Department of Development: | | | |
| CDBG – Entitlement Grants Cluster: | | | |
| Community Development Block Grants / Entitlement Grants | 14.218 | \$ 538,827 | \$ 871,754 |
| Direct payment from the State: | | | |
| Dollar Home Sales | 14.313 | - | 84,809 |
| Total U.S. Department of Housing and Urban Development | | <u>538,827</u> | <u>956,563</u> |
| U.S. Department of Homeland Security: | | | |
| Assistance to Firefighters | 83.554 | - | 999 |
| U.S. Department of Justice: | | | |
| Passed through the Ohio Office of Criminal Justice Services: | | | |
| Byrne Formula Grant Program | 16.579 | 74,244 | 104,000 |
| ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories | 16.803 | 72,759 | 102,398 |
| ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government | 16.804 | <u>58,062</u> | <u>80,693</u> |
| Total passed through the Ohio Office of Criminal Justice Services | | 205,065 | 287,091 |
| Passed through the Cuyahoga County Department of Justice Affairs: | | | |
| ARRA – Violence Against Women Formula Grants | 16.588 | <u>33,865</u> | <u>35,202</u> |
| Total U.S. Department of Justice | | <u>238,930</u> | <u>322,293</u> |
| Total Federal Assistance | | \$ <u><u>777,757</u></u> | \$ <u><u>1,279,855</u></u> |

The accompanying notes are an integral part of this schedule

City of Bedford, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2010

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bedford, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

Note 3: Investigation

On April 6, 2011, the City of Bedford Police Department, with assistance from the Cuyahoga County Prosecutor's office, started an investigation into the City of Bedford's Home Rehabilitation Program and possible improprieties related to administering the grant. The City feels it is highly unlikely that an adverse outcome will materially affect the fair presentation of the City's basic financial statements.

The matter is still under investigation. However, based on the City's internal review of the program, the City believes the likelihood of the investigation resulting in any material potential loss or liability, including the possibility of significant disallowance findings related to Federal grant programs, is remote, and that any adverse outcome from those charges would pertain to the City officials and employees subject to the investigation.

N/A – Not applicable

City of Bedford, Ohio

Schedule of Findings

OMB Circular A-133, Section .505

For the Year Ended December 31, 2010

1. Summary of Auditors' Results

| | | |
|--------------|--|--|
| (d)(I)(I) | Type of Financial Statement Opinion | Unqualified |
| (d)(I)(ii) | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| (d)(I)(ii) | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)? | Yes |
| (d)(I)(iii) | Was there any material noncompliance reported at the financial statement level (GAGAS)? | No |
| (d)(I)(iv) | Were there any material internal control weaknesses reported for major federal programs? | No |
| (d)(I) (iv) | Were there any other significant control deficiencies reported for major federal programs? | Yes |
| (d)(I) (v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(I)(vi) | Are there any reportable findings under Section .510? | No |
| (d)(I)(vii) | Major Programs | 1. CFDA # 14.218, Community Development Block Grants / Entitlement Grants |
| (d)(I)(viii) | Dollar Threshold: Type A/B Programs | Type A: >\$300,000 Type B: All Others |
| (d)(I)(ix) | Low Risk Auditee? | No |

City of Bedford, Ohio

Schedule of Findings

OMB Circular A-133, Section .505

For the Year Ended December 31, 2010

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

| Findings | Findings Summary |
|----------|--|
| 2010-01 | <p data-bbox="305 552 852 583"><i>Financial Reporting – Significant Deficiency</i></p> <p data-bbox="305 615 1453 709">During our testing of the internal controls over the Home Rehabilitation Project we found a lack of segregation of duties related to the management of the project. It was noted that the same individual was performing the following functions:</p> <ol data-bbox="354 741 1453 961" style="list-style-type: none">1. Performed initial inspections of each house and created the Scope or Work sheets2. Obtained quotes from contractors to perform work on the homes3. Recommended contractors to council to approve a contract between the City and the contractors to perform the items on the Scope of Work sheets4. Performed inspections of the houses throughout the project5. Approved invoices for payment based on work performed by the contractors6. Performed final inspections prior to sale by the City. <p data-bbox="305 993 1453 1087">This lack of segregation of duties could lead to the program management bypassing the controls in place to ensure expenditures are proper before making payment. We recommend the City institute controls to limit the amount of access that one person could have over the program.</p> <p data-bbox="305 1119 1453 1234">Official’s Response: Management has stopped the Home Rehabilitation Project while an external investigation occurs to determine if any improper activity occurred during the management of the project. Once the project is started again, the City will have new controls in place such as:</p> <ol data-bbox="354 1266 1453 1392" style="list-style-type: none">1. The City will be awarding work to contractors using a sealed bidding process.2. The Economic Development department will manage the grant.3. The inspections will be done by an individual independent from the invoice approval process. |

City of Bedford, Ohio

**Schedule of Findings
OMB Circular A-133, Section .505**

For the Year Ended December 31, 2010

3. Findings for Federal Awards

| Findings | Findings Summary |
|-----------------|--|
| 2010-02 | <p>Activities allowed or unallowed and Allowable costs/cost principles – Significant Deficiency</p> <p>CFDA Title and Number: Community Development Block Grants / Entitlement Grants, CFDA # 14.218</p> <p>Federal Agency: Department of Housing and Urban Development</p> <p>Pass-Through Agency: Ohio Department of Development</p> <p>During our testing of the internal controls over the Neighborhood Stabilization Program grants, which assisted the funding of the Home Rehabilitation Project, we found a lack of segregation of duties related to the management of the grants. It was noted that the same individual was performing the following functions:</p> <ol style="list-style-type: none"> 1. Performed initial inspections of each house and created the Scope or Work sheets 2. Obtained quotes from contractors to perform work on the homes 3. Recommended contractors to council to approve a contract between the City and the contractors to perform the items on the Scope of Work sheets 4. Performed inspections of the houses throughout the project 5. Approved invoices for payment based on work performed by the contractors 6. Performed final inspections prior to sale by the City. <p>This lack of segregation of duties could lead to the program management bypassing the controls in place to ensure expenditures are proper before making payment. We recommend the City institute controls to limit the amount of access that one person could have over the program.</p> <p>Official’s Response: Management has stopped the Home Rehabilitation Project while an external investigation occurs to determine if any improper activity occurred during the management of the project. Once the project is started again, the City will have new controls in place such as:</p> <ol style="list-style-type: none"> 1. The City will be awarding work to contractors using a sealed bidding process. 2. The Economic Development department will manage the grant. 3. The inspections will be done by an individual independent from the invoice approval process. |

City of Bedford, Ohio

Schedule of Prior Audit Findings OMB Circular A-133, Section .315(b)

For the Year Ended December 31, 2010

| Finding Number | Finding Summary | Fully Corrected? | Not corrected, partially corrected, different corrective action taken; finding no longer valid; Explain |
|-----------------------|---|-------------------------|--|
| 2009-1 | The following audit adjustments were made to the financial statements: 1. Prior period adjustment recorded to properly record assets held for resale and intergovernmental receivables at December 31, 2008. | Yes | Corrected – the City properly recorded these account balances at 12/31/10 without material misstatement. |



Dave Yost • Auditor of State

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
NOVEMBER 17, 2011