

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2007

Cover Picture: The Wal-Mart Supercenter, a 190,559 sq ft building which includes general Retail merchandise, Grocery, drive thru Garden Center, and Tire and Lube express was completed in 2008. The store is open 24 hours with three shifts employing 400 full and part time employees.

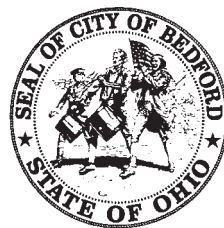
Divider Page 1: A new Get Go gas station and market was completed recently, and its location is at the North gateway into the City. This is a good addition to the area where the new Walmart Supercenter had been constructed.

Divider page 2: The Ganley Real Estate Co. finished constructing a new approximately 34,000 square foot (\$4.436 million) building and expanded its Volkswagen operations in 2007. The company purchased new machinery and equipment, furniture & fixtures and inventories totaling more than \$5,050,000. Over \$1 million was invested in a retaining wall to solidify the land behind the development in addition to the building improvements. The total investment was more than \$10.8 million.

Also pictured in this report, is the Ben Venue Laboratories newly Constructed building referred to as Phase V. The investment by Ben Venue into the construction of this new building was \$30 million and the equipment and fixtures entailed an investment of \$48.5 million, as well as adding an additional 1.5 million in inventory levels. This expansion project required the hiring an additional 125 employees with an increase in payroll of 4.4 million dollars.

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

Pictured last in this report is the newly constructed swimming pool, slide and children's play area. The total cost was \$850,000 and is being enjoyed by all residents.



**City of
Bedford, Ohio**

TITLE
PAGE

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2007

Prepared by:

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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, 2007
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CITY OF BEDFORD OHIO

June 19, 2008

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

It is our privilege to present to you the City of Bedford's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with 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 an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ended December 31, 2007 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 the City 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 and 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, 2007. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

History of Bedford and Form of Government

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

The City Manager, under the City Charter, has the authority to appoint and to remove all other administrative officers and employees. Other administrative officers include the positions of Directors of Service, Public Works and Recreation. Also, appointments to Building Commissioner and Police and Fire Chiefs are under his authority. The Police and Fire 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 DARE and the Juvenile diversion program. Starting in 2007 the animal control services now jointly cover 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 and the Village of Walton Hills citizens, as well as placing strong emphasis on community involvement and education. The Fire Department splits the coverage of the Village of Walton Hills with the Neighboring City of Maple Heights. A Chief and his assistant lead the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall.

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

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

The Recreation Department in addition to the basic services, continues to offer superior recreational facilities for its residents. The City operates four municipal playgrounds and tot lots, Hutchinson soccer/baseball/football Fields, a swimming pool, 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 City newsletter, 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, 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 8,500 resident returns, 2,500 business net profits returns and the collection from 2,000 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, 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 the CDBG housing grant program. This program provides funding for repairs at a slight cost to qualifying residents.

Economic Condition and Outlook

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

The City established an Enterprise Zone, which included all land within the boundaries of the City of Bedford in April 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 progress to complete a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation has completed the construction of their building. The Hemisphere Corporation and Hull and Associates have started construction building a new headquarters on this site. This was constructed on a Brownfield site and the

site is to be developed by receiving grants from the Cuyahoga County Brownfield Fund, Brush Wellman prior owners of the site, The State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI grant).

Ben Venue Laboratories, Inc., the City of Bedford's largest employer was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and is now the 15th largest pharmaceutical company in the world having more than 38,000 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. On August 17, 2001 Ben Venue approached the City for an abatement in the Community Reinvestment area, regarding Real Estate development and applied for a tax exemption on recovered property through the City's Enterprise Zone program. Ben Venue expanded its facilities by 165,000square.feet. for manufacturing operations of pharmaceutical products. 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 126 Abbreviated New Drug Application ("ANDA") approvals for injectable drugs from the FDA, building a portfolio of over 260 products and dosages, and has become a major player in the injectable pharmaceutical industry. Ben Venue wishes to continue to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the Community.

Ben Venue has previously entered into two agreements with the City of Bedford for building expansions. The first agreement was in 1996. Ben Venue added over 50,000 square feet of office and plant expansion and committed to add 30 jobs over 60 months. Through June 30, 2001, or in just 5 years, Ben Venue has added 152 jobs for this project. The second agreement was in 1999 when Ben Venue added approximately 44,000 square feet of office and plant expansion and new filling line. Through June 30, 2001, or in just 2 years, Ben Venue has added more than the 75 jobs it originally committed to add over 5 years. In the current abatement applications, Ben Venue already invested \$25 million in a new building (including 1 million in furniture and fixtures) and \$40 million in tangible personal property. The total investment including inventory will not be less than \$84.5 million dollars at the projected site. Ben Venue has already created within a time-frame of less than 5 years 300 new full time permanent jobs and will retain 691 existing full time jobs at the projected sites. The estimated new annual payroll for these new employees will add \$9 million and generate an additional \$202,500 in City income tax withholding. The annual payroll retained in existing jobs will be at \$39,786,750. The abatement agreement between the City of Bedford, the Bedford school district, County and State of Ohio are as follows:

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

On May 2, 2005, Ben Venue signed a Community Reinvestment Agreement with the City for the Construction of a new building referred to as Phase V. The investment by Ben Venue into the construction of the new building is \$30 million and the equipment and fixtures entailed an investment of \$48.5 million, as well as adding an additional \$1.5 million in inventory levels. This expansion project is estimated to require the hiring an additional 125 employees with an increase in payroll of 4.4 million dollars.

The Phase V expansion is completed and contains space for one filling line, one lyo capping line, and six freeze dryers and a small equipment prep area with a stopper washer, hot air oven and autoclave on the first floor. Compounding rooms, QC labs, Micro Labs and locker rooms are also included. A penthouse on the roof

provides mechanical space. Space will also be available for a second filling line. The Phase V building is approximately 80,700 square feet, with 36,600 square feet on the first floor, and 35,600 square feet on the second floor and an 8,500 square foot penthouse (mechanical room).

Ben Venue has run out of space in their existing administrative facility. To continue to competitively grow, Ben Venue needed to add square footage to house additional employees to grow the business. 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 (Lab and Office Building). The total amount of project investment is estimated to be \$17,500,000. The building costs are estimated to be \$14,800,000 while the investment in new machinery is expected to cost \$1,500,000, the furniture will cost \$700,000 and the inventory is expected to approach an increase in the amount of \$500,000. The City offered incentives in the form of an abatement of real estate only at 50percent for 15 years. The increase in personnel is expected to be between 40 and 50 with a payroll that is expected to grow by \$1,750,000 per year. This project will be completed by mid 2008 and is expected to be certified a Green Building by LEED standards through the US Green Building Coalition.

Ben Venue is also currently involved in a project entitled Phase V Conversion. This project consists of adding an additional expansion to the original Phase V project and segregating the facility to create a separate cytotoxic manufacturing facility, one of the first of its kind in the US.

Ben Venue is currently identifying future needs and more construction that might need to occur.

The Ganley Real Estate Company finished constructing a new approximately 34,000 square foot (\$4.436 million) building and expanded its Volkswagen operations in 2007. The company purchased new machinery and equipment, furniture and fixtures and inventories totaling more than \$5,050,000. Over \$1 million was invested in a retaining wall to solidify the land behind the development in addition to the building improvements. The total investment was more than \$10.8 million. Ganley Volkswagen of Bedford is expected to create 50 new jobs for the City of Bedford, while retaining the 42 jobs already existing in Ohio, for an additional payroll of \$1.9 million. Actual payroll for 2007 amounted to \$1,952,766.

The Ganley Real Estate Co. finished constructing in 2007, a new approximately 8,100 square foot building to expand its Subaru operations. The company invested approximately \$4 million in buildings and service center, site work, new machinery and equipment, furniture and fixtures and inventories. The Company is expected to create 35 new jobs and create an additional payroll of \$1.6 million. The City utilized our jobs creation program in lieu of abatement affecting the school district as an incentive to do business in the City. The City will grant 6 years of property tax abatement based upon the payroll amount and income taxes paid reported at year-end.

The University Hospitals Health Systems, Bedford Community Hospital has over the past 3 years and with future plans will have invested \$12.5 million in improvements. (MRI expansion and new equipment \$1.9 million, ED expansion \$1.0 million, CT acquisition \$3.2 million, lobby renovation \$200,000, and another \$500,000 in 2004-2005 Capital Allocation. The Hospital administration, by compiling demographics of the immediate area and analyzing future needs, has created a fourth floor, Cardiovascular Unit which finished construction of these improvements in 2006 at a cost of \$5.7 million.

The Light of Hearts Villa assisted living facility started an expansion of over \$1 million to its facilities in 2005. This project was completed in 2006.

Masserati of Cleveland / Bedford Collision Center, in 2005 completed a new expansion spending \$1,500,000 - \$1,750,000 in total investment in a new facility. With this investment they created 24 new jobs and a payroll of \$602,500. The City utilized our jobs creation program in lieu of abatement affecting the school district as an incentive to do business in the City. The Aston Martin business was replaced by a used Mercedes dealership in 2007. A Smart Car dealership was added on this site and is the region's only authorized dealer. The number of jobs is expected to remain intact.

The Thomas Homes – The Bentbrook Development started construction at the end of 2006 and completed 4 units in 2007, and is expected to create a taxable real estate investment estimated to be \$8,910,000 after all homes are constructed. The number of units is expected to be 50.

The Rysar Properties homes at Bedford Falls are expected to create a taxable real estate investment estimated to be \$9,805,000. The number of units is expected to be 53.

The Walgreens drugstore has completed construction at a cost of \$4,000,000. This project is expected to retain 15 jobs at a payroll of \$244,800.

In 2007 the construction of a Get-Go Station on the Corner of Northfield and Rockside was completed at a cost of \$ 1.8 million. The cost of land acquisition was \$1.5 million. The gas station is expected to create 5 new jobs in January 2008.

In 2007 a Walmart Super Store is substantially completed at a cost of \$7.5 million dollars. The Walmart store is projected to create 400 new jobs at a payroll of \$4,160,000. Overall tax dollars received by the City is estimated to be \$240,000.

The Pat Catan's retail store made renovations in the amount of \$255,000 in 2007.

St. John's Funeral Home added an addition at a cost of \$1 million.

Major Initiatives

During the year ended December 31, 2007, the City completed or made substantial progress toward several major goals or projects.

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

The City of Bedford, in 2005, met with the Cuyahoga County Economic Development Department and we received a \$4 million Brownfield Economic Development Initiative Grant (BEDI) for the Brush-Wellman Site (Tinkers Creek Commerce Park). This 49 acres of land which is a Brownfield site, is set aside for development of Commercial and Industrial business. The City has three companies that expanded on this parcel. One of the Companies that completed construction in 2006 is the Taylor Chair Company, the oldest furniture manufacturing plant in Ohio's history (190+years) they will be relocating 40 jobs to the new site and adding an additional 20-25 jobs in the next five years. The City worked with the State of Ohio Department of Development as we received a Roadwork Development Account 629 Grant in the amount of \$850,000 to complete the infrastructure improvements. The City worked hand in hand with the Hemisphere Corporation in completing this project.

The Hemisphere LLC and Hull and Associates are combining to build a 3.8 million dollar headquarters in Tinkers Creek Commerce Park, (a previous Brownfield) to house their current employment of 34 employees in 2008. They are being granted a Community Reinvestment Area tax exemption of 70 percent for 15 years and will create 19 new jobs by 2011. The estimated annual payroll such new employees will add is \$1,300,375.

In 2006 the City of Bedford advance refunded the 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 issues in the amount of \$7,990,000 and added an additional \$1.9 million in bonds to pay the general obligation note issue of \$1.2 million and \$700,000 towards the municipal pool and bond issuance costs. The City had a net present value savings of \$257,472 and had an annual cash savings of \$301,133.

The Rating agencies of Standard and Poor's upgraded the City's Bonds to an AA- level while Moody's Investor Services maintained the City's Bond Rating at A1.

The City administration prepared and, through Council, adopted the 2008 annual budget (appropriations) before December 31, 2007; 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 was awarded a \$33,884 grant from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. The program was changed to a calendar year end grant. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars reached an all time high in the amount of \$420,033. This year's total funding from all sources was \$657,186.

The street lighting rate of millage was maintained for the seventh straight year at 1.2 mills, due to the county increasing its valuation of City property. The county performed its three-year reappraisal of industry and residential property values in 2007. The total tax valuation has increased from \$282,809,736 to \$306,869,373 after the reduction of the HB66 which phases out the business personal property valuation for taxation purposes. The net result was a decrease in real estate tax revenue of 8.15 percent.

The City realized its thirteenth-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 the City is charging today (over \$2.6 million has been saved to date).

The Tax Department utilized the innovation award winning on-line income tax preparation system for the past five years throughout the 2007 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 ambulance runs in the year 2007. The ambulance runs generated a total of \$354,920 in 2007, \$348,187 in 2006, \$390,749 in 2005, \$282,012 in 2004 and \$252,084 in 2003 net of the administrative billing costs.

The City of Bedford's ISO fire rating continues at a Class 4 rating. This upgrade in previous years was due in part to continuously improved operations, equipment, record keeping and training.

The City received a grant and loan from the State of Ohio Issue II Committee for the construction of the Northfield Road Water Main. The Total estimated cost of construction is \$800,000. The Ohio Public Works Commission (OPWC) awarded the City a grant in the amount of \$320,000 and a 0 percent interest loan in the amount of \$400,000. The City is required to fund the 10 percent balance of \$80,000. At year end, the City has expended \$540,685 in total, on this project. This project will allow for more water to be afforded to Ben Venue Laboratories for future expansion.

The City established a housing rehabilitation fund to repair violations against abandoned properties and assess these cost to the homeowner's tax duplicate. The City has spent \$82,809 in 2007, \$24,998 in 2006, \$42,958 in 2005 and \$11,275 in 2004 out of the \$160,000 seed money invested into this fund to date. These costs were assessed to the parcels and assessment collections from the sale of properties were \$103,435 in 2007, and \$575 collected in 2004. This is a collection rate of 64.19 percent to date.

The City applied for and received assistance from the Ohio Emergency Management Agency (OEMA) for damages associated with the June 22, 2006 flood in the City. The City expended \$341,354 on 13 areas of damages within the City. The City received a grant from the Ohio Public Works Commission that covered \$121,263 of the \$162,535 cost to repair the Broadway/Taylor Road crushed storm sewer line. This is the major part of the \$341,354 of losses sustained by the City. OEMA paid an additional 75 percent (\$134,114) of the \$178,819 costs incurred by the City due to the flood on June 22, 2006. The City therefore received \$255,377 of the total costs incurred of \$341,354 or 74.82 percent.

The City has been self-insured regarding health insurance costs for our employees for the past 14 years. In 2007, the net savings from this type of program was \$200,000 versus a premium plan program. The estimated savings to the general fund from being self-insured to date for the past 14 years has exceeded \$2,000,000.

Construction Projects:

Construction was completed on sidewalks and street improvements in 2007 in the amounts of \$56,406 and \$195,133 respectively. The amounts expended on sidewalks and streets were \$0 in 2006, \$212 and \$151,099 in 2005, \$46,570 and \$547,507 in 2004 respectively.

The Rockside Road Resurfacing project engineering costs paid in 2007 were \$57,317 and \$127,346 in 2006.

The City purchased the land at 300 Solon Road, and received a one time payment per a lease agreement with Clear Channel outdoor Inc. for construction of a billboard in the amount of \$350,000.

The City placed vinyl siding on the service garage through Barnes Roofing in the amount of \$99,000.

The City completed its Master Plan in 2007 in the amount of \$18,743.

The City constructed a relief sewer for Ellenwood Avenue in the amount of \$131,000 and added a relief sewer for storm in the amount of \$6,217.

The Building Department obtained two properties through the \$1 HUD program in 2007 and is in the process of rehabbing these properties for sale to the public requiring a low moderate income family to purchase such homes. The City at the time of this report has now acquired 8 additional HUD homes.

The City completed the Northfield Road resurfacing project. The City's portion of the project was \$177,538. The total costs of the project were estimated at around \$1,608,000. with ODOT picking up the difference in cost. The City will incur an additional cost for curbs and ramps in the amount of \$44,739.

The City was approved for a \$248,850 grant and a \$248,850, 0 percent loan from the Ohio Public Works Commission towards the Gravity Sludge Thickener Project. This project continues to be under construction.

The Wastewater plant started the improvement of the Sludge Thickener in 2007. The cost of the project is expected to be \$571,884. The total expenditures to date are \$240,320.

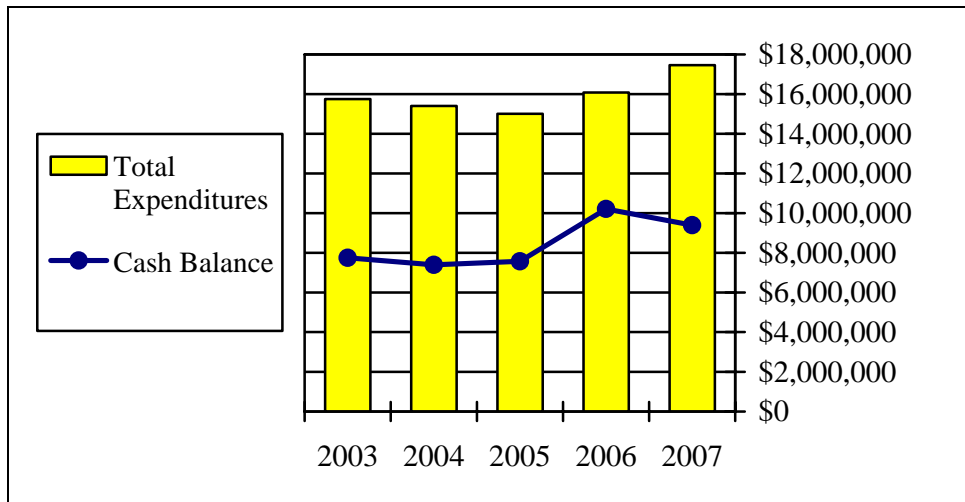
The City received a Community Development Block Grant in the amount of \$150,000 out of a total of \$270,000 total costs to construct a Recreation Trail connecting our Municipal Complex Center with the Ellenwood Recreation Center. This project is expected to be completed in 2008.

The City completed the construction of the Municipal Pool at a total cost of \$823,893. The City used the company Astro Pool and saved approximately \$1.2 million in costs versus other bids on the project.

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 \$9,391,591. The 2007 operating cash balance represented 52.18 percent of the total general fund expenditures or 190 days of General Fund operating expenditures. This cash balance falls well above the City's policy of maintaining a minimum required balance of \$6 million in the general fund. This balance is required to cover any future negative changes in net-profit payments from our largest taxpayer. The plan is to maintain this cash balance to cover any refunds due to this taxpayer for a period of two years.



The City is currently updating our master and strategic plan for future projects and needs.

The City has a debt policy which has been utilized recently and analyzed with our new general obligation debt issue in 2006. The debt issue is well in line with our debt capacity and in line with our affordability requirements.

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 determine 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 2007.

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.

Cash Management

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income during 2007 was \$939,743.

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

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 2006 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 2007 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, City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Robert R. Reid
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2007

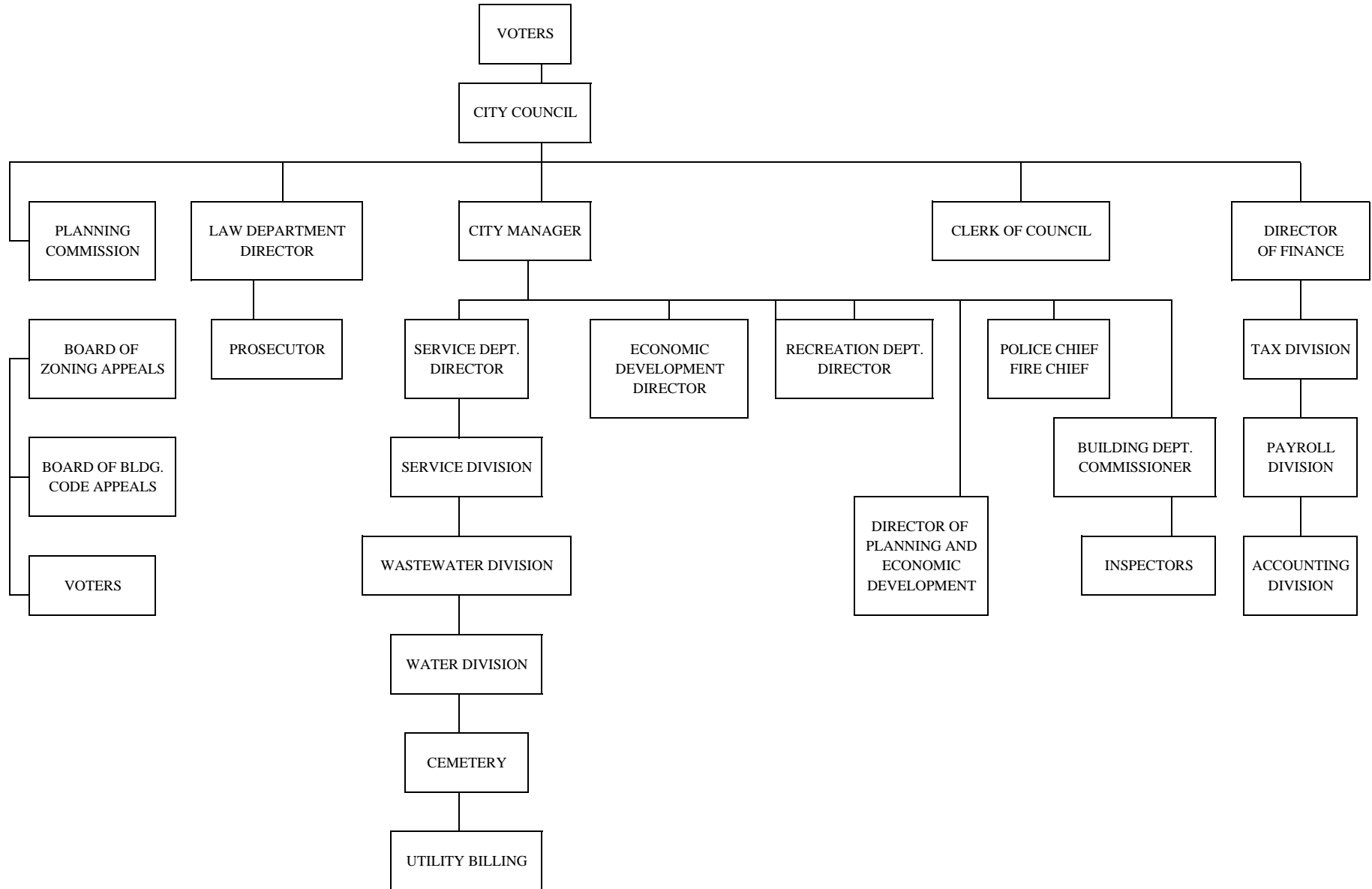
Elected Officials

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

Appointed Officials

City Manager Robert R. Reid
Director of Finance Frank C. Gambosi
Director of Law/Prosecutor..... Kenneth A. Schuman
Clerk of Council..... Kathleen M. Lynch
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

**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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



City of BEDFORD, Ohio

FINANCIAL

SECTION

FINANCIAL
SECTION





City of BEDFORD, Ohio

Independent Auditors' Report

Members of the City Council
Bedford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio as of and for the year ended December 31, 2007, 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 of Bedford's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford as of December 31, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Fire Medic Levy 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, 2007, the City implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*", GASB Statement No. 48, "*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*", and GASB Statement No. 50, "*Pension Disclosures*".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2008 on our consideration of the City of Bedford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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 of Bedford'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 and statistical sections 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
June 19, 2008

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
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, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

- Total assets of the City of Bedford exceeded liabilities at the close of the most recent year (2007) by \$53,170,841 compared to \$52,317,756 at the end of 2006. Of this amount \$15,117,235 (2007) and \$15,866,125 (2006) 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 and business-type activities increased by \$137,877 and \$381,388 respectively. This represents increases of .35 and 2.9 percent respectively from 2006. Total capital assets increased from \$52,266,874 to \$52,786,139 or \$519,265 a 1.0 percent increase from 2006. These increases were due to a purchase of land, more completed business activities type projects in 2007 and offset by the accumulated depreciation expense charges against these assets.
- Total current assets decreased by \$862,087 due to less cash on hand and cash with fiscal agents (retainage accounts) and due to the decreases in receivables due from property and special assessment receivables. The federal, state and local government grants receivable at year-end were increased by \$137,995 due mostly to the Recreation Trail, and Rockside Road projects as well as motor vehicle and gasoline tax increased revenues in 2007. Cash and cash equivalents has decreased due to an decrease in the collection of income taxes from our largest taxpayer of \$1,385,643 or a 27.97 percent decrease from 2006.
- As of the close of the current year, the City of Bedford's governmental funds (Balance Sheet) reported combined ending fund balances of \$15,892,692, a decrease of \$642,696 in comparison with the prior year's \$16,535,388. This was due to the decrease in the equity in pooled cash and cash equivalents at year-end. The property taxes receivable decreased by \$269,376 due to valuation decreases.
- The City of Bedford's total debt decreased by \$1,320,314, during the current year. The key factors in this decrease were the payments of principal due on the OWDA loans and general obligation bonds.
- The total municipal income tax revenues for all funds in 2007 were \$10,951,613 versus \$12,078,770 in 2006. This equates to a \$1,127,157 (9.33 percent) decrease in revenue. On the cash basis of accounting, the municipal net profits income taxes paid by one of our largest taxpayers had decreased in 2007 by \$1,385,643. This same taxpayer's employee withholding tax payments had increased from \$1,423,813 in 2006 to \$1,587,585 in 2007, which is an 11.50 percent increase. This is well above the local rate of inflation for our area, which at year-end was at a consumer price index of 2.55 percent.

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.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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

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

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

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 58 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 62 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 2007?" 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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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 2007 compared to 2006.

(Table 1)
 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current and Other Assets	\$25,315,676	\$26,286,012	\$5,173,733	\$5,065,484	\$30,489,409	\$31,351,496
Capital Assets, Net	39,243,312	39,105,435	13,542,827	13,161,439	52,786,139	52,266,874
<i>Total Assets</i>	<u>64,558,988</u>	<u>65,391,447</u>	<u>18,716,560</u>	<u>18,226,923</u>	<u>83,275,548</u>	<u>83,618,370</u>
Liabilities						
Current and Other Liabilities	5,864,648	6,078,743	918,024	553,078	6,782,672	6,631,821
Long-Term Liabilities:						
Due Within One Year	1,062,691	1,091,091	1,044,464	1,009,797	2,107,155	2,100,888
Due in More than One Year	12,755,147	13,334,392	8,459,733	9,233,513	21,214,880	22,567,905
<i>Total Liabilities</i>	<u>19,682,486</u>	<u>20,504,226</u>	<u>10,422,221</u>	<u>10,796,388</u>	<u>30,104,707</u>	<u>31,300,614</u>
Net Assets						
Invested in Capital Assets						
Net of Debt	27,216,162	27,242,739	4,527,360	3,285,261	31,743,522	30,528,000
Restricted:						
Capital Projects	974,982	1,171,756	0	0	974,982	1,171,756
Debt Service	1,181,876	1,321,616	0	0	1,181,876	1,321,616
Fire	134,774	522,030	0	0	134,774	522,030
Streets	1,493,516	1,162,070	0	0	1,493,516	1,162,070
Other Purposes	2,524,936	1,746,159	0	0	2,524,936	1,746,159
Unrestricted	11,350,256	11,720,851	3,766,979	4,145,274	15,117,235	15,866,125
<i>Total Net Assets</i>	<u>\$44,876,502</u>	<u>\$44,887,221</u>	<u>\$8,294,339</u>	<u>\$7,430,535</u>	<u>\$53,170,841</u>	<u>\$52,317,756</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 \$52,317,756 at December 31, 2006 and \$53,170,841 at the close of the most recent year.

The largest portion of the City's net assets (59.7 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 assets decreased by \$342,822 from 2006 to 2007, while the City's total liabilities also decreased by \$1,195,907. The most significant changes in total assets were the decrease in equity in pooled cash and cash equivalents \$705,785, a decrease in property taxes receivable of \$269,376, and an increase in intergovernmental receivables in the amount of \$137,995. The reason for the increase in intergovernmental receivables was due to Ohio Public Works Commission Grant due the City, and property taxes receivable

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

changes were stated previously. The decrease change in cash and cash equivalents was due to the decrease in the amount of municipal net profits taxes collected and therefore decreased the cash in accounts at year-end. Other items affecting the results were an increase in non-depreciable assets due to the purchase of a land parcel in 2007. The decrease in the long term and due in more than one year liabilities, was mainly due to the general obligation bonds and the OWDA loan payments in 2007.

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

Our total net assets of the City's governmental activities decreased \$10,719 during the current year. Most of this decrease is due to the decrease in property taxes. The decrease in accrued wages was due to the City having a payroll on the last day of 2007; thereby, having 27 pay dates in 2007. These 27 pays were caused by a pay date on biweekly Tuesdays and union agreements that require payment on these dates. This was anticipated and will not occur again until 11 years later in 2018. 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 for any one year. 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 reduces and phases-out the personal property tax by 100 percent over the next 4 years. The State of Ohio passed a Commercial Activities Tax (CAT) to allow the State to reimburse the City for 4 years through 2010. Thereafter the State will decrease the CAT taxes paid to the City over an eight year period. The State of Ohio will reimburse the City for the loss of tangible personal property taxes as a result of the changes in HB 66 within certain limitations. The City of Bedford's estimated loss after 4 years plus an estimated 8 year reduction in collection is expected to be \$626,000 each year. The State of Ohio has also decreased the local government revenue funds sent to the cities by 10 percent and has affected the City revenue by the amount of \$72,958 each year. The State of Ohio has also eliminated the exempt valuation portion of our personal property tax returns (\$10,000 per return) that was reimbursed by the State and paid to the City. The balance of the decrease in net assets is due to these cuts in revenue stream.

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 2007 and 2006.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Services	\$3,224,213	\$2,591,913	\$5,579,905	\$5,181,246	\$8,804,118	\$7,773,159
Operating Grants and Contributions	1,605,411	1,150,207	0	0	1,605,411	1,150,207
Capital Grants and Contributions	307,611	431,974	554,409	32,508	862,020	464,482
Total Program Revenues	5,137,235	4,174,094	6,134,314	5,213,754	11,271,549	9,387,848
General Revenues						
Property Taxes	3,605,953	3,316,091	0	0	3,605,953	3,316,091
Municipal Income Taxes	10,621,780	11,705,219	329,833	373,551	10,951,613	12,078,770
Grants and Entitlements not Restricted to Specific Programs	1,735,202	1,940,740	0	0	1,735,202	1,940,740
Investment Income	750,070	648,078	189,673	140,178	939,743	788,256
Gain on Sale of Capital Assets	38,742	27,503	0	3,903	38,742	31,406
Miscellaneous	442,004	301,092	30,748	3,408	472,752	304,500
Total General Revenues	17,193,751	17,938,723	550,254	521,040	17,744,005	18,459,763
Total Revenues	22,330,986	22,112,817	6,684,568	5,734,794	29,015,554	27,847,611
Program Expenses						
General Government	5,106,413	4,871,530	0	0	5,106,413	4,871,530
Security of Persons and Property						
Police	5,452,247	4,847,966	0	0	5,452,247	4,847,966
Fire	3,620,839	3,338,007	0	0	3,620,839	3,338,007
Public Health and Welfare	193,518	164,391	0	0	193,518	164,391
Leisure Time Activities	1,609,539	1,615,332	0	0	1,609,539	1,615,332
Community Development	633,811	1,042,659	0	0	633,811	1,042,659
Basic Utility Services	888,600	850,077	0	0	888,600	850,077
Transportation	4,221,135	4,727,888	0	0	4,221,135	4,727,888
Interest and Fiscal Charges	615,603	469,373	0	0	615,603	469,373
Water	0	0	3,472,856	3,155,757	3,472,856	3,155,757
Wastewater	0	0	2,347,908	2,326,613	2,347,908	2,326,613
Total Program Expenses	22,341,705	21,927,223	5,820,764	5,482,370	28,162,469	27,409,593
Increase in Net Assets	(10,719)	185,594	863,804	252,424	853,085	438,018
Net Assets Beginning of Year	44,887,221	44,701,627	7,430,535	7,178,111	52,317,756	51,879,738
Net Assets End of Year	<u>\$44,876,502</u>	<u>\$44,887,221</u>	<u>\$8,294,339</u>	<u>\$7,430,535</u>	<u>\$53,170,841</u>	<u>\$52,317,756</u>

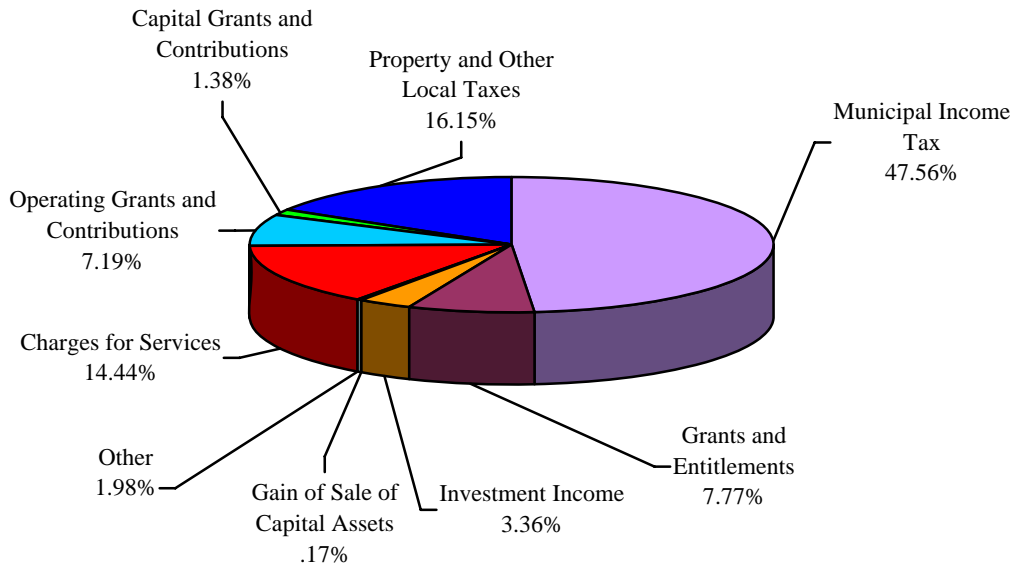
Governmental Activities

Governmental activities decreased the City's net assets from \$44,887,221 to \$44,876,502 or by the amount of \$10,719. The business-type activities increased total net assets from \$7,430,535 to \$8,294,339 or \$863,804. This allowed for the overall increased growth in the total net assets of \$853,085. The primary reason for the increase in net assets relates to the increase in revenues in the Charges for Services revenues. The water rate increases of 4.88 percent went into effect in 2007 and 10.79 percent increases are already in effect for 2008, sewer rate increases of 4.0 percent went into effect also in 2008. Other increases were in operating grants and contributions. This was due to funds received from Community Development Block Grants and Ohio Public Works Commission Grants, and investment income increased due to interest rates. Several types of revenues fund our governmental activities, with the City income tax being the largest contributor. The income tax rate was 2.25 percent for 2007, 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 vary that income tax credit and

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create additional revenues for the City. Income tax revenue was reduced significantly in 2007; the reasons for this were stated earlier.

Revenues by Source - Governmental Activities



The income tax revenue for 2007 and 2006 was \$10,621,780 and \$11,705,219 respectively for governmental activities. Of the \$22,330,986 and \$22,112,817 for 2007 and 2006 respectively, in total governmental revenues, income tax accounts for 47.56 and 52.94 percent of these totals respectively. Property tax revenue for 2007 and 2006 were \$3,605,953 and \$3,316,091 respectively and accounted for 16.15 percent and 15.00 percent of total revenues, and operating grants, capital grants and contributions, general revenues from grants and entitlements account for 16.34 percent of total revenues, whereas, charges for services, and other revenue make up the remaining 19.95 percent.

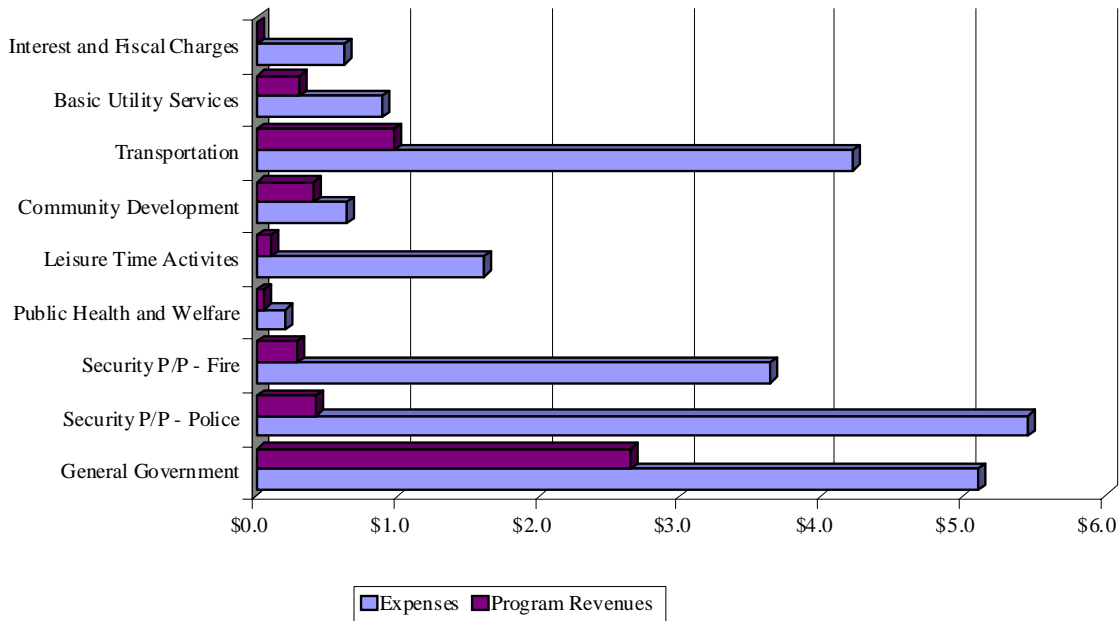
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Increases were caused by contract wage increases, hospitalization and workers' compensation increased costs. Less costs occurred with the community development and transportation as less maintenance was required in 2007. In 2007, 22.86 percent of program expenses went for general government activities as compared to 22.22 percent spent on this program for 2006. The winter was mild in 2007 which accounted for the lower spending on salt and less road repairs under the transportation expense type. The City maintains salt funding for two major winter storms at all times. The largest program for the City relates to the security of persons and property police and fire program expenses. During 2007 \$9,073,086 was spent or 40.61 percent of program expenses related to security of persons and property as similarly to 2006, when \$8,185,973 was spent or 37.33 percent.

The second largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. In 2007, 18.90 percent \$4,221,135 of program expenses were related to the transportation system compared to 21.56 percent or \$4,727,888 in 2006.

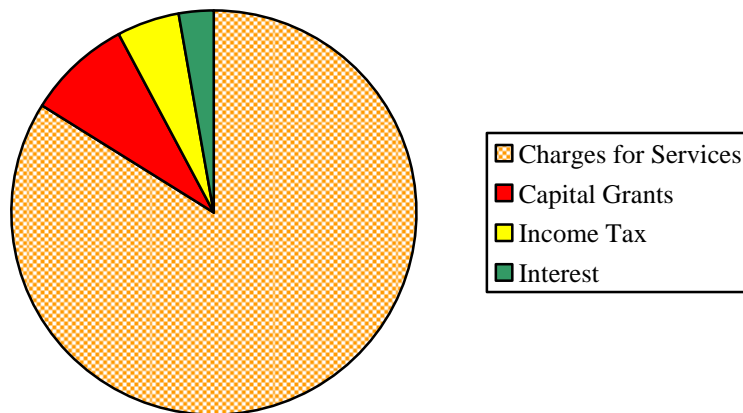
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Expenses and Program Revenues - Governmental Activities (millions)



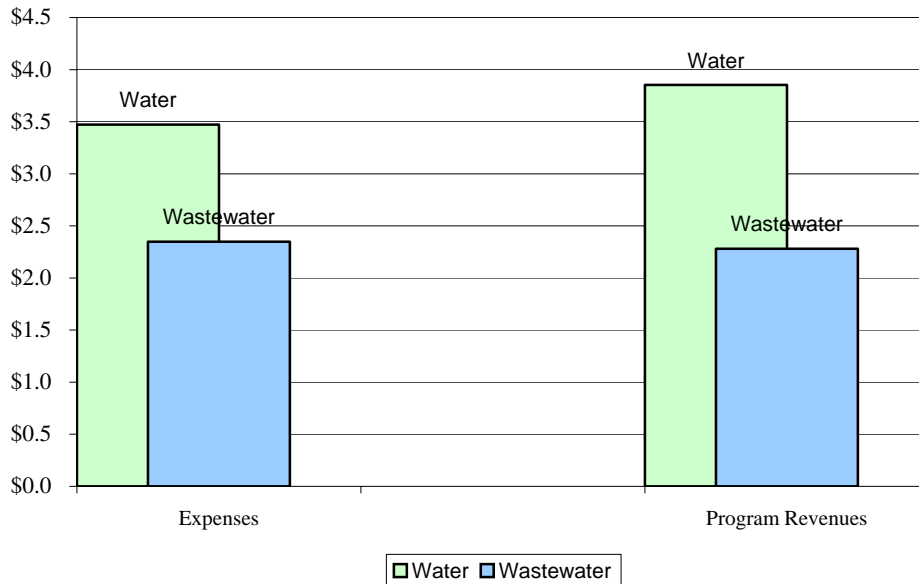
Leisure time activities, primarily the expenses for the Ellenwood Recreation Center and the outdoor pool, accounted for 7.21 percent in 2007 and 7.37 percent in 2006 of total program expenses. The security of persons and property – police department expenses were 24.40 percent in 2007 and 22.11 percent in 2006. Due to the hiring of 2 new police officers as well as healthcare increases in 2007, we anticipated these expenses to significantly increase in percent of total program expenses. The fire department expenses were 16.21 percent in 2007 and 15.23 percent in 2006. This increase is also a result of filling positions that were vacated in 2006.

Business-Type Activities



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



The business-type activities of the City, which include the City's water and wastewater operations increased the City's net assets by \$863,804. Program revenues were more than program expenses in the amount of \$380,599 for the water operations for 2007. This increase in net assets is due to rate increases, the collection of penalties and interest and water receivables. This revenue is classified as charges for services. Water rate increases (4.8765 percent) were charged to consumers in 2007. The loss of water from various leaks resulted in a drop in billed consumption, and thus resulted in the City not receiving the full 4.8765 percent increase in charges for services. Program revenues were less than program expenses in the amount of (\$67,049) for the wastewater operations for 2007. The wastewater fund was affected by the reduction in water consumption by our largest taxpayer and the recycling of their water usage. A 4 percent wastewater rate increase in 2008 was necessary to replenish the fund's operation costs. Total program revenues for wastewater operations recorded in 2007 were \$2,280,859 versus \$1,943,800 in 2006.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

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As of the end of 2007, the City of Bedford's governmental funds reported combined ending fund balances of \$15,892,692. Of this amount, \$14,977,785 constitutes unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period in the amount of \$914,907.

All governmental funds had total revenues of \$22,243,079 in 2007 and \$22,295,047 in 2006 and total expenditures of \$22,926,947 and \$20,613,738 in 2006, leaving a difference of expenditures over revenues of (\$683,868) and \$1,681,309 respectively. The most significant change in our funds from 2006 to 2007 was the decrease in municipal income tax revenue of (\$1,121,477). The reason for this decrease on a modified accrual basis of accounting was discussed earlier. The increases in costs \$526,546 in the Police Department and \$592,419 in the Fire Department were due to the hiring of two additional police officers and replacement of fire medics. Capital outlay had increased costs in 2007; however, more dollars in road improvements were being utilized through State grants on State routes and therefore the City's share of dollars invested towards road projects was leveraged at a 10:1 ratio. The City is leveraging \$305,632 on the engineering of the Rockside Road resurfacing project. The State has agreed to pay by grant the construction costs of over \$3,900,000 towards the project and one-half the engineering \$152,816 ($\$305,632 \times 50$ percent) agreed to above. The CDBG Grant for the Recreation Trail, and the various annual street improvement projects also contributed to the increase in spending in the Capital Outlay in the amount of \$856,837. The City received Community Development Block Grants in the amount of \$132,097 and a \$15,000 Exterior Maintenance Grant for housing and Byrne Funds for Southeast Area Law Enforcement Agency (SEAL) of \$51,595 along with confiscated program income dollars generated in the amount of \$419,776.

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 \$10,392,170 compared to \$10,832,296 in 2006 of which \$10,313,325 in 2007 and \$10,708,438 in 2006 was unreserved at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The 2007 unreserved fund balance represents 59.08 percent of total general fund expenditures, while total fund balance represents 59.53 percent. The unreserved fund balance will cover 216 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 decreased by \$440,126. The decrease in the general fund balance is due to the decrease in the income tax revenue. The income tax revenue in the general fund for 2007 was \$9,878,736. The amount of income tax revenue decrease was 9.36 percent from 2006. Court costs were increased in 2007 to maintain revenues in line with expenditures. The transfers-out of \$5,733,350 was similar in 2007 as the \$5,591,899 that was sent to other funds for capital improvements and for various operating purposes in 2006.

The other major fund included in the governmental fund section is the fire medic levy fund. The fire medic levy fund's fund balance as of December 31, 2007 was \$245,513. As of December 31, 2006 the fund balance was (\$57,113). This year's ending fund balance is \$302,626 more than last year's. The general fund transferred funds to cover the costs of operations in 2007. The overtime issue was addressed in 2007 resulting in less expenditure of funds.

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 2007, the City amended its general fund budget on various occasions. All

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recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our police department as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$17,287,171. The final budgeted revenue amount was \$16,680,171. The general fund's original appropriations were budgeted at \$13,020,609. The final budgeted appropriations were \$13,554,919. The City of Bedford's ending unencumbered cash balance in the general fund was \$1,620,725 above the final budgeted amount.

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 from net profits tax. This revenue source contributed less due to the largest taxpayers reduced net profits in 2007, thereby reducing the budgeted revenues for 2007.
- ❑ The Police department left unspent \$158,269 (3.44 percent) in anticipated expenditures in 2007 .
- ❑ The Service department had unspent \$215,781 (11.52 percent) of expenditures versus final budgeted amounts.
- ❑ The Municipal Court had unspent \$224,872 (10.95 percent) of expenditures versus final budgeted amounts.

The overall general fund appropriation budget showed unspent dollars of \$1,403,517 or 10.35 percent left at year-end. Most other budget accounts were budgeted near or close to expectations in 2007.

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Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	\$2,925,079	\$2,627,189	\$28,620	\$28,620	\$2,953,699	\$2,655,809
Construction in Progress	408,165	280,804	236,050	69,935	644,215	350,739
Buildings and Improvements	15,413,781	14,820,871	6,696,202	6,875,081	22,109,983	21,695,952
Machinery and Equipment	1,521,173	1,744,644	278,533	469,248	1,799,706	2,213,892
Furniture and Fixtures	149,075	245,751	0	0	149,075	245,751
Vehicles	1,512,488	1,170,584	186,763	219,703	1,699,251	1,390,287
Infrastructure						
Roads	13,978,543	14,931,697	0	0	13,978,543	14,931,697
Traffic Signals	1,250,742	1,314,277	0	0	1,250,742	1,314,277
Rubberized Crossings	20,290	21,714	0	0	20,290	21,714
Storm Sewers	2,063,976	1,947,904	0	0	2,063,976	1,947,904
Water Lines	0	0	3,688,133	3,190,471	3,688,133	3,190,471
Sewer Lines	0	0	2,428,526	2,308,381	2,428,526	2,308,381
Total	\$39,243,312	\$39,105,435	\$13,542,827	\$13,161,439	\$52,786,139	\$52,266,874

Total capital assets increased \$519,264 in 2007. Decreases in many capital asset categories occurred in 2007 mostly due to depreciation expense for both types of assets in the amount of \$3,192,784. The most significant increase in our capital assets was in the categories of buildings and improvements in the governmental type activities. The major project that created this increase was the service garage renovation in the amount of \$105,110 and the new municipal pool at a cost of \$823,893. The most significant decrease in capital assets was in the roads category. The decrease was a result of reduced construction in 2007 on the roads combined with normal depreciation expense.

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 9 to the basic financial statements.

Debt

As of December 31, 2007 the City's governmental activities debt included \$1,062,691 due within one year, including compensated absences of \$414,278. The City had business-type debt of \$9,504,197 as of December 31, 2007, including \$123,477 of compensated absences. The amount of business-type bonds and loans due within one year as of December 31, 2007 was \$1,019,329. The City issued general obligation bonded debt in the amount of \$9.9 million in 2006. \$1.2 million of this bond issue was used to pay for the general obligation notes issued in 2005. Both types of activities were affected with new debt issued in 2006 at \$596,450 towards governmental activities-community development block grant fund, \$657,550 for the construction of the municipal pool and \$646,000 towards the water enterprise fund.

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$11,363,218	\$11,816,833	\$2,360,202	\$2,563,095	\$13,723,420	\$14,379,928
Special Assessment Bonds	500,000	570,000	0	0	500,000	570,000
OPWC Loans	481,766	529,955	899,418	793,921	1,381,184	1,323,876
OWDA Loans	0	0	6,121,100	6,765,264	6,121,100	6,765,264
Police Pension	198,133	201,888	0	0	198,133	201,888
Capital Leases	9,263	12,458	0	0	9,263	12,458
Compensated Absences	1,265,458	1,294,349	123,477	121,030	1,388,935	1,415,379
Total	\$13,817,838	\$14,425,483	\$9,504,197	\$10,243,310	\$23,322,035	\$24,668,793

The general obligation bonds are composed of the 2006 advanced refunding issues for the following: (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. In addition to the refunding issue state above, the City issued general obligation bonds in the amount of \$1,900,000. The cashflow savings and net present value savings from the advance refunded issues were \$301,133 and \$257,472 respectively.

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

There are two OPWC loans that are being paid semi-annually from the debt service fund and funded by general fund revenues. These two loans are zero interest 20-year loans for the Willard and Wandle Avenue street rehabilitation projects. The amounts outstanding as of December 31, 2007 and December 31, 2006 were \$481,766, and \$529,955 respectively.

The Police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2007 the balance was \$198,133.

The Business-type debt consisted of the following:

The General Obligation bonds are composed of 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 – this new issue is to be repaid from the water rates and water bill collections; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. This new issue is to be repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington street, Tinkers Creek Commerce Park and Forbes Road water line. The amount of \$646,000 out of the \$1,900,000 2006 new money issue was for these water lines.

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The additional ¼ percent income tax collection pays for the retirement of an Ohio Public Works Commission Loan (Oxidation Tower Project) and the Ohio Water Development Authority Loan (Rapid Sandfilter Project). The principal amounts outstanding as of December 31, 2007 are \$719,500 and \$2,079,009 respectively. The City received a grant of \$945,000 in 2004 from the State's Issue II funding, and an OPWC - Oxidation Tower Loan has been granted up to the amount of \$945,000. The City also has an OPWC loan for the completed construction of the flow control project and an OWDA loan for plant improvements that are paid through sewer user rates and from sewer collections.

Most of the City's OWDA loans were to refinance previously issued Wastewater Plant improvement bond issues prior to 1994. The loan is for 20 years at 4.80 percent. The amount outstanding from this loan as of December 31, 2007 is \$4,447,776.

State statues limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin was \$21,974,803 on December 31, 2007.

Additional information concerning the City's debt can be found in Note 12 to the basic financial statements.

Current Financial Related Activities

The City of Bedford is financially strong as evidenced by Moody's Investors Service's affirmation of our A1 rating and Standard and Poor's upgrade in 2006 to AA- from our A+ rating in 2005. Both were awarded and confirmed to the City in 2006 and remains the same for 2007.

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, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$16,183,047	\$3,666,464	\$19,849,511
Materials and Supplies Inventory	161,622	133,960	295,582
Accrued Interest Receivable	114,043	370	114,413
Accounts Receivable	36,108	1,112,107	1,148,215
Internal Balances	(15,287)	15,287	0
Intergovernmental Receivable	1,183,702	36,405	1,220,107
Prepaid Items	15,391	0	15,391
Income Taxes Receivable	2,466,060	0	2,466,060
Property Taxes Receivable	3,702,933	0	3,702,933
Special Assessments Receivable	1,155,960	0	1,155,960
Unamortized Bond Issuance Costs	312,097	209,140	521,237
Nondepreciable Capital Assets	3,333,244	264,670	3,597,914
Depreciable Capital Assets, Net	35,910,068	13,278,157	49,188,225
<i>Total Assets</i>	<u>64,558,988</u>	<u>18,716,560</u>	<u>83,275,548</u>
Liabilities			
Accounts Payable	481,363	630,878	1,112,241
Accrued Wages and Benefits	242,143	25,833	267,976
Intergovernmental Payable	441,820	25,783	467,603
Vacation Benefits Payable	713,485	80,367	793,852
Claims Payable	140,864	0	140,864
Deferred Revenue	3,800,298	0	3,800,298
Accrued Interest Payable	44,675	155,163	199,838
Long-Term Liabilities:			
Due Within One Year	1,062,691	1,044,464	2,107,155
Due In More Than One Year	12,755,147	8,459,733	21,214,880
<i>Total Liabilities</i>	<u>19,682,486</u>	<u>10,422,221</u>	<u>30,104,707</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	27,216,162	4,527,360	31,743,522
Restricted for:			
Capital Projects	974,982	0	974,982
Debt Service	1,181,876	0	1,181,876
Fire	134,774	0	134,774
Streets	1,493,516	0	1,493,516
Other Purposes	2,524,936	0	2,524,936
Unrestricted	11,350,256	3,766,979	15,117,235
<i>Total Net Assets</i>	<u>\$44,876,502</u>	<u>\$8,294,339</u>	<u>\$53,170,841</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$5,106,413	\$2,205,689	\$427,621	\$0
Security of Persons and Property				
Police	5,452,247	53,907	362,556	0
Fire	3,620,839	257,282	25,100	0
Public Health and Welfare	193,518	40,510	14,102	0
Leisure Time Activities	1,609,539	96,845	0	0
Community Development	633,811	278,011	114,687	0
Basic Utility Services	888,600	291,969	0	0
Transportation	4,221,135	0	661,345	307,611
Interest and Fiscal Charges	615,603	0	0	0
<i>Total Governmental Activities</i>	<u>22,341,705</u>	<u>3,224,213</u>	<u>1,605,411</u>	<u>307,611</u>
Business-Type Activities				
Water	3,472,856	3,521,515	0	331,940
Wastewater	2,347,908	2,058,390	0	222,469
<i>Total Business-Type Activities</i>	<u>5,820,764</u>	<u>5,579,905</u>	<u>0</u>	<u>554,409</u>
<i>Total</i>	<u>\$28,162,469</u>	<u>\$8,804,118</u>	<u>\$1,605,411</u>	<u>\$862,020</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Fire Medic Levy

 Fire Pension

 Police Pension

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
(\$2,473,103)	\$0	(\$2,473,103)
(5,035,784)	0	(5,035,784)
(3,338,457)	0	(3,338,457)
(138,906)	0	(138,906)
(1,512,694)	0	(1,512,694)
(241,113)	0	(241,113)
(596,631)	0	(596,631)
(3,252,179)	0	(3,252,179)
(615,603)	0	(615,603)
(17,204,470)	0	(17,204,470)
0	380,599	380,599
0	(67,049)	(67,049)
0	313,550	313,550
(17,204,470)	313,550	(16,890,920)
2,648,487	0	2,648,487
788,498	0	788,498
84,484	0	84,484
84,484	0	84,484
9,852,161	0	9,852,161
769,619	0	769,619
0	329,833	329,833
1,735,202	0	1,735,202
750,070	189,673	939,743
38,742	0	38,742
442,004	30,748	472,752
17,193,751	550,254	17,744,005
(10,719)	863,804	853,085
44,887,221	7,430,535	52,317,756
\$44,876,502	\$8,294,339	\$53,170,841

City of Bedford, Ohio

Balance Sheet

Governmental Funds

December 31, 2007

	<u>General</u>	<u>Fire Medic Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,391,591	\$322,255	\$6,006,358	\$15,720,204
Property Taxes Receivable	2,719,346	810,029	173,558	3,702,933
Income Taxes Receivable	2,466,060	0	0	2,466,060
Accounts Receivable	36,108	0	0	36,108
Intergovernmental Receivable	702,809	45,726	435,167	1,183,702
Interfund Receivable	10,000	0	0	10,000
Accrued Interest Receivable	113,430	0	613	114,043
Materials and Supplies Inventory	128,851	19,644	13,127	161,622
Prepaid Items	15,391	0	0	15,391
Special Assessments Receivable	20,791	0	1,135,169	1,155,960
<i>Total Assets</i>	<u>\$15,604,377</u>	<u>\$1,197,654</u>	<u>\$7,763,992</u>	<u>\$24,566,023</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$142,792	\$13,783	\$323,430	\$480,005
Accrued Wages and Benefits	164,494	60,271	17,378	242,143
Intergovernmental Payable	134,229	22,332	285,259	441,820
Claims Payable	199	0	0	199
Interfund Payable	0	0	10,000	10,000
Deferred Revenue	4,770,493	855,755	1,872,916	7,499,164
<i>Total Liabilities</i>	<u>5,212,207</u>	<u>952,141</u>	<u>2,508,983</u>	<u>8,673,331</u>
 Fund Balances				
Reserved for Encumbrances	78,845	4,921	831,141	914,907
Unreserved				
Undesignated, Reported in:				
General Fund	10,313,325	0	0	10,313,325
Special Revenue Funds	0	240,592	3,157,476	3,398,068
Debt Service Funds	0	0	443,234	443,234
Capital Projects Funds	0	0	823,158	823,158
<i>Total Fund Balances</i>	<u>10,392,170</u>	<u>245,513</u>	<u>5,255,009</u>	<u>15,892,692</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,604,377</u>	<u>\$1,197,654</u>	<u>\$7,763,992</u>	<u>\$24,566,023</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007*

Total Governmental Fund Balances	\$15,892,692
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*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.	39,243,312
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	\$238,635
Income Taxes	1,611,248
Charges for Services	48,723
Special Assessments	1,107,237
Intergovernmental	<u>693,023</u>

Total	3,698,866
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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	320,820
Internal Balances	<u>(15,287)</u>

Total	305,533
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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.	312,097
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(44,675)
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Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(713,485)
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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	(11,363,218)
Special Assessment Bonds	(500,000)
OPWC Loans	(481,766)
Police Liability	(198,133)
Capital Leases	(9,263)
Compensated Absences	<u>(1,265,458)</u>

Total	<u>(13,817,838)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$44,876,502</u></u>
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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, 2007

	General	Fire Medic Levy	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$2,622,155	\$780,679	\$167,290	\$3,570,124
Municipal Income Taxes	9,878,736	0	769,619	10,648,355
Charges for Services	302,696	0	396,350	699,046
Fees, Licenses and Permits	280,622	2,362	9,500	292,484
Fines and Forfeitures	1,415,868	0	352,678	1,768,546
Intergovernmental	2,036,148	122,035	1,377,277	3,535,460
Special Assessments	0	0	498,755	498,755
Contributions and Donations	0	0	45,100	45,100
Interest	430,961	15,777	276,457	723,195
Rentals	20,010	0	0	20,010
Other	4,733	0	437,271	442,004
<i>Total Revenues</i>	<u>16,991,929</u>	<u>920,853</u>	<u>4,330,297</u>	<u>22,243,079</u>
Expenditures				
Current:				
General Government	4,535,489	0	83,709	4,619,198
Security of Persons and Property:				
Police	4,269,851	0	1,077,387	5,347,238
Fire	0	2,799,122	1,034,728	3,833,850
Public Health and Welfare	51,170	0	138,646	189,816
Leisure Time Activities	222,575	0	1,237,254	1,459,829
Community Development	462,321	0	572,219	1,034,540
Basic Utility Services	597,522	0	282,145	879,667
Transportation	1,569,035	0	955,559	2,524,594
Capital Outlay	0	0	1,865,496	1,865,496
Debt Service:				
Principal Retirement	6,950	0	592,789	599,739
Interest and Fiscal Charges	9,246	0	563,734	572,980
<i>Total Expenditures</i>	<u>11,724,159</u>	<u>2,799,122</u>	<u>8,403,666</u>	<u>22,926,947</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,267,770</u>	<u>(1,878,269)</u>	<u>(4,073,369)</u>	<u>(683,868)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	25,454	0	15,718	41,172
Transfers In	0	2,180,895	3,693,906	5,874,801
Transfers Out	(5,733,350)	0	(141,451)	(5,874,801)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,707,896)</u>	<u>2,180,895</u>	<u>3,568,173</u>	<u>41,172</u>
<i>Net Change in Fund Balances</i>	(440,126)	302,626	(505,196)	(642,696)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>10,832,296</u>	<u>(57,113)</u>	<u>5,760,205</u>	<u>16,535,388</u>
<i>Fund Balances End of Year</i>	<u>\$10,392,170</u>	<u>\$245,513</u>	<u>\$5,255,009</u>	<u>\$15,892,692</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, 2007*

Net Change in Fund Balances - Total Governmental Funds (\$642,696)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$2,827,607
Depreciation	<u>(2,687,300)</u>

Total 140,307

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. (2,430)

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

Property Taxes	35,829
Income Taxes	(26,575)
Charges for Services	20,791
Special Assessments	(75,419)
Intergovernmental	<u>67,664</u>

Total 22,290

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. 599,739

Some expenses reported in the statement of activities do no require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	32,706
Amortization of Premium	2,862
Amortization of Discount	(2,589)
Amortization of Loss on Refunding	(21,258)
Amortization of Issuance Costs	<u>(54,344)</u>

Totals (42,623)

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	28,891
Vacation Benefits Payable	<u>(102,525)</u>

Total (73,634)

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	(15,785)
Change in Internal Balance	<u>4,113</u>

Total (11,672)

Change in Net Assets of Governmental Activities (\$10,719)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,514,552	\$2,514,552	\$2,622,155	\$107,603
Municipal Income Taxes	10,709,370	9,934,370	9,895,078	(39,292)
Charges for Services	289,090	292,090	275,731	(16,359)
Fees, Licenses and Permits	181,220	206,220	278,862	72,642
Fines and Forfeitures	1,213,380	1,313,380	1,393,853	80,473
Intergovernmental	1,954,009	1,994,009	1,940,889	(53,120)
Interest	400,000	400,000	435,786	35,786
Rentals	1,200	1,200	20,010	18,810
Other	24,350	24,350	21,061	(3,289)
<i>Total Revenues</i>	17,287,171	16,680,171	16,883,425	203,254
Expenditures				
Current:				
General Government	5,200,950	5,539,555	4,680,290	859,265
Security of Persons and Property:				
Police	4,565,372	4,589,972	4,431,703	158,269
Public Health and Welfare	51,170	51,170	51,170	0
Leisure Time Activities	291,678	291,678	267,621	24,057
Community Development	509,307	521,612	484,336	37,276
Basic Utility Services	532,106	689,106	580,237	108,869
Transportation	1,870,026	1,871,826	1,656,045	215,781
<i>Total Expenditures</i>	13,020,609	13,554,919	12,151,402	1,403,517
<i>Excess of Revenues Over Expenditures</i>	4,266,562	3,125,252	4,732,023	1,606,771
Other Financing Sources (Uses)				
Sale of Capital Assets	12,500	12,500	25,454	12,954
Advances Out	0	(10,000)	(10,000)	0
Transfers Out	(5,560,355)	(5,734,350)	(5,733,350)	1,000
<i>Total Other Financing Sources (Uses)</i>	(5,547,855)	(5,731,850)	(5,717,896)	13,954
<i>Net Change in Fund Balance</i>	(1,281,293)	(2,606,598)	(985,873)	1,620,725
<i>Fund Balance Beginning of Year</i>	9,966,728	9,966,728	9,966,728	0
Prior Year Encumbrances Appropriated	168,004	168,004	168,004	0
<i>Fund Balance End of Year</i>	\$8,853,439	\$7,528,134	\$9,148,859	\$1,620,725

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Medic Levy Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$746,273	\$746,273	\$780,679	\$34,406
Fees, Licenses and Permits	1,750	1,750	2,362	612
Intergovernmental	162,389	162,389	122,035	(40,354)
Interest	5,000	5,000	15,777	10,777
<i>Total Revenues</i>	915,412	915,412	920,853	5,441
Expenditures				
Current:				
Security of Persons and Property:				
Fire	3,049,926	3,053,926	2,911,766	142,160
<i>Excess of Revenues Under Expenditures</i>	(2,134,514)	(2,138,514)	(1,990,913)	147,601
Other Financing Sources				
Transfers In	2,110,895	2,180,895	2,180,895	0
<i>Net Change in Fund Balance</i>	(23,619)	42,381	189,982	147,601
<i>Fund Balance Beginning of Year</i>	84,166	84,166	84,166	0
Prior Year Encumbrances Appropriated	30,521	30,521	30,521	0
<i>Fund Balance End of Year</i>	\$91,068	\$157,068	\$304,669	\$147,601

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Enterprise			Internal Service
	Water	Wastewater	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,674,156	\$1,992,308	\$3,666,464	\$462,843
Receivables:				
Accounts	695,505	416,602	1,112,107	0
Intergovernmental	0	36,405	36,405	0
Accrued Interest	0	370	370	0
Materials and Supplies Inventory	85,463	48,497	133,960	0
<i>Total Current Assets</i>	<u>2,455,124</u>	<u>2,494,182</u>	<u>4,949,306</u>	<u>462,843</u>
<i>Noncurrent Assets</i>				
Unamortized Bond Issuance Costs	124,579	84,561	209,140	0
Nondepreciable Capital Assets	0	264,670	264,670	0
Depreciable Capital Assets, Net	3,780,220	9,497,937	13,278,157	0
<i>Total Noncurrent Assets</i>	<u>3,904,799</u>	<u>9,847,168</u>	<u>13,751,967</u>	<u>0</u>
<i>Total Assets</i>	<u>6,359,923</u>	<u>12,341,350</u>	<u>18,701,273</u>	<u>462,843</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	431,896	198,982	630,878	1,358
Accrued Wages	8,993	16,840	25,833	0
Intergovernmental Payable	9,604	16,179	25,783	0
Vacation Benefits Payable	27,977	52,390	80,367	0
Compensated Absences Payable	782	24,353	25,135	0
Accrued Interest Payable	5,742	149,421	155,163	0
General Obligation Bonds Payable	192,100	30,000	222,100	0
OPWC Loans Payable	0	45,277	45,277	0
OWDA Loans Payable	0	751,952	751,952	0
Claims Payable	0	0	0	140,665
<i>Total Current Liabilities</i>	<u>677,094</u>	<u>1,285,394</u>	<u>1,962,488</u>	<u>142,023</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	34,022	64,320	98,342	0
General Obligation Bonds Payable	1,560,430	577,672	2,138,102	0
OPWC Loans Payable	150,774	703,367	854,141	0
OWDA Loans Payable	0	5,369,148	5,369,148	0
<i>Total Long-Term Liabilities</i>	<u>1,745,226</u>	<u>6,714,507</u>	<u>8,459,733</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,422,320</u>	<u>7,999,901</u>	<u>10,422,221</u>	<u>142,023</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	2,156,468	2,370,892	4,527,360	0
Unrestricted	1,781,135	1,970,557	3,751,692	320,820
<i>Total Net Assets</i>	<u>\$3,937,603</u>	<u>\$4,341,449</u>	<u>8,279,052</u>	<u>\$320,820</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:

	<u>15,287</u>
Net assets of business-type activities	<u>\$8,294,339</u>

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, 2007*

	Enterprise			Internal Service
	Water	Wastewater	Total	
Operating Revenues				
Charges for Services	\$3,521,515	\$2,058,390	\$5,579,905	\$2,192,843
Other	30,248	500	30,748	0
<i>Total Operating Revenues</i>	<u>3,551,763</u>	<u>2,058,890</u>	<u>5,610,653</u>	<u>2,192,843</u>
Operating Expenses				
Personal Services	471,075	936,652	1,407,727	0
Contractual Services	2,756,136	261,767	3,017,903	342,654
Materials and Supplies	68,008	298,724	366,732	0
Depreciation	70,455	435,029	505,484	0
Claims	0	0	0	1,892,849
Other	625	1,717	2,342	0
<i>Total Operating Expenses</i>	<u>3,366,299</u>	<u>1,933,889</u>	<u>5,300,188</u>	<u>2,235,503</u>
<i>Operating Income (Loss)</i>	<u>185,464</u>	<u>125,001</u>	<u>310,465</u>	<u>(42,660)</u>
Non-Operating Revenues (Expenses)				
Interest	94,123	95,550	189,673	26,875
Municipal Income Taxes	0	329,833	329,833	0
Interest and Fiscal Charges	(102,993)	(409,918)	(512,911)	0
Other Non-Operating Expenses	(2,068)	(1,484)	(3,552)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(10,938)</u>	<u>13,981</u>	<u>3,043</u>	<u>26,875</u>
<i>Income (Loss) before Capital Contributions</i>	<u>174,526</u>	<u>138,982</u>	<u>313,508</u>	<u>(15,785)</u>
Capital Contributions	331,940	222,469	554,409	0
<i>Change in Net Assets</i>	<u>506,466</u>	<u>361,451</u>	<u>867,917</u>	<u>(15,785)</u>
<i>Net Assets Beginning of Year</i>	<u>3,431,137</u>	<u>3,979,998</u>		<u>336,605</u>
<i>Net Assets End of Year</i>	<u>\$3,937,603</u>	<u>\$4,341,449</u>		<u>\$320,820</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:

(4,113)

Change in net assets of business-type activities

\$863,804

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Enterprise			Internal Service
	Water	Wastewater	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,462,187	\$2,014,086	\$5,476,273	\$0
Cash Received from Interfund Services Provided	0	0	0	2,192,843
Other Cash Receipts	30,248	500	30,748	0
Cash Payments to Employees for Services	(489,152)	(935,972)	(1,425,124)	(346,214)
Cash Payments for Goods and Services	(2,579,284)	(385,570)	(2,964,854)	0
Cash Payments for Claims	0	0	0	(1,873,504)
Other Cash Payments	(625)	(1,717)	(2,342)	0
Non-Operating Expenses	(2,068)	(1,484)	(3,552)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>421,306</u>	<u>689,843</u>	<u>1,111,149</u>	<u>(26,875)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from Municipal Income Taxes	<u>0</u>	<u>329,833</u>	<u>329,833</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Capital Grants Received	331,940	186,064	518,004	0
Proceeds from OPWC Loans	150,774	0	150,774	0
Principal Paid on General Obligation Bonds	(180,400)	(30,000)	(210,400)	0
Interest Paid on General Obligation Bonds	(81,596)	(22,340)	(103,936)	0
Principal Paid on OWDA Loans	0	(717,926)	(717,926)	0
Interest Paid on OWDA Loans	0	(325,221)	(325,221)	0
Principal Paid on OPWC Loans	0	(45,277)	(45,277)	0
Bond Issuance Costs	5,325	0	5,325	0
Payments for Capital Acquisitions	(551,802)	(335,070)	(886,872)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(325,759)</u>	<u>(1,289,770)</u>	<u>(1,615,529)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	<u>94,123</u>	<u>95,415</u>	<u>189,538</u>	<u>26,875</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	189,670	(174,679)	14,991	0
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,484,486</u>	<u>2,166,987</u>	<u>3,651,473</u>	<u>462,843</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,674,156</u></u>	<u><u>\$1,992,308</u></u>	<u><u>\$3,666,464</u></u>	<u><u>\$462,843</u></u>

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2007

	Enterprise			Internal Service
	Water	Wastewater	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$185,464	\$125,001	\$310,465	(\$42,660)
Adjustments:				
Depreciation	70,455	435,029	505,484	0
Non-Operating Expenses	(2,068)	(1,484)	(3,552)	0
(Increase) Decrease in Assets:				
Accounts Receivable	(59,328)	(44,304)	(103,632)	0
Materials and Supplies Inventory	(4,645)	10,768	6,123	0
Increase (Decrease) in Liabilities:				
Accounts Payable	245,033	157,195	402,228	(3,560)
Accrued Wages	(11,094)	(19,108)	(30,202)	0
Compensated Absences Payable	(10,046)	12,493	2,447	0
Vacation Benefits Payable	6,652	13,871	20,523	0
Intergovernmental Payable	883	382	1,265	0
Claims Payable	0	0	0	19,345
<i>Total Adjustments</i>	<u>235,842</u>	<u>564,842</u>	<u>800,684</u>	<u>15,785</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$421,306</u>	<u>\$689,843</u>	<u>\$1,111,149</u>	<u>(\$26,875)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

Assets	
Equity in Pooled Cash and Cash Equivalents	\$34
Cash and Cash Equivalents in Segregated Accounts	<u>54,978</u>
<i>Total Assets</i>	<u><u>\$55,012</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$55,012</u></u>

See accompanying notes to the basic financial statements

NOTES TO
GENERAL
PURPOSE
FINANCIAL
STATEMENTS





City of BEDFORD, Ohio

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. For the City of Bedford this includes the agencies and departments that provide the following services: police, fire, rescue, recreation programs, street maintenance and repairs, sanitation, water, wastewater treatment, 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.

A. Basis of Presentation

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

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

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

B. Fund Accounting

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

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

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

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

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

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

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

C. Measurement Focus

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). 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, 2007, but which were levied to finance year 2008 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, 2007

E. Pooled Cash and Cash Equivalents

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

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

During 2007, investments were limited to repurchase agreements, nonnegotiable certificates of deposit, federal home loan bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes and STAROhio, the State Treasurer's Investment Pool.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2007 amounted to \$430,961, of which \$30,003 was assigned from other funds.

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

F. Materials and Supplies Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007 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.

H. Capital Assets

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
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.

I. Interfund Balances

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

J. 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, 2007

K. 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.

L. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$6,310,084 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for community development and recreational activities.

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

N. 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.

O. Bond Issuance Costs

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

P. 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.

Q. 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.

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from grants restricted to capital acquisition and construction.

S. Interfund Activity

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

T. 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.

U. Estimates

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

V. Budgetary Data

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

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associate with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$25,527 and \$85,262 respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 4 - Budgetary Basis of Accounting

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

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

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

Net Change in Fund Balances		
General and Fire Medic Levy Special Revenue Funds		
	General	Fire Medic Levy
GAAP Basis	(\$440,126)	\$302,626
Net Adjustment for Revenue Accruals	(69,193)	0
Beginning Fair Value of Adjustments for Investments	(3,127)	0
Ending Fair Value of Adjustments for Investments	(13,994)	0
Beginning Unrecorded Cash	82,293	0
Ending Unrecorded Cash	(104,483)	0
Net Adjustment for Expenditure Accruals	(302,988)	(95,062)
Advances Out	(10,000)	0
Encumbrances	(124,255)	(17,582)
Budget Basis	(\$985,873)	\$189,982

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 5 - 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 (STAROhio); 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, 2007

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, \$9,978,107 of the City's bank balance of \$10,902,678 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, 2007, the City had the following investments:

	Maturity			Total
	Less Than Six Months	More Than Six Months But Less Than One Year	More Than One Year But Less Than Three Years	
Repurchase Agreements	\$3,142,186	\$0	\$0	\$3,142,186
Federal Home Loan Bank Bonds	0	749,775	3,470,032	4,219,807
Federal Home Loan Mortgage Corporation Notes	500,165	349,479	0	849,644
Federal National Mortgage Association Notes	0	0	1,003,865	1,003,865
STAROhio	302,666	0	0	302,666
Total Portfolio	\$3,945,017	\$1,099,254	\$4,473,897	\$9,518,168

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 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. The following is the City's allocation as of December 31, 2007:

<u>Investment</u>	<u>Percentage of Investments</u>
Repurchase Agreements	33.01%
Federal Home Loan Bank Bonds	44.33
Federal Home Loan Mortgage Corporation Notes	8.93
Federal National Mortgage Association Notes	10.55

Note 6 - Contingencies

A. Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2007.

B. Litigation

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

Note 7 - Receivables

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

City of Bedford, Ohio
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For the Year Ended December 31, 2007

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except property taxes and special assessments 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 \$822,405 in the special assessment bond retirement fund. At December 31, 2007 the amount of delinquent special assessments was \$278,392.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2007 for real and public property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed value as of January 1, 2007 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 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, 2007 was \$12.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$171,872,930
Commercial Industrial/Public Utility	101,454,280
Tangible Personal Property	
Public Utility	8,318,020
General Business	25,224,143
	<hr/>
Total	<u>\$306,869,373</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007 and for which there is an enforceable legal claim. In the general fund and fire medic levy, police pension and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 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.

B. Income Taxes

The City levies an income tax of 2.25 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 1.50 percent 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.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$372,660
Gasoline Tax	282,023
Homesteaded and Rollback	148,333
Estate Tax	114,533
Grants	99,694
CAT Tax	60,699
Court Costs	44,640
Permissive Tax	43,650
Miscellaneous	17,470
Total Governmental Activities	1,183,702
Business-Type Activities	
OPWC Grant	36,405
Total	\$1,220,107

Note 8 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to one year 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

Note 9 – Capital Assets

A summary of changes in capital assets during 2007 follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,627,189	\$297,890	\$0	\$2,925,079
Construction in Progress	280,804	455,265	(327,904)	408,165
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,907,993</u>	<u>753,155</u>	<u>(327,904)</u>	<u>3,333,244</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	17,149,582	952,751	0	18,102,333
Machinery and Equipment	3,707,561	108,752	(43,400)	3,772,913
Furniture and Fixtures	821,945	22,247	0	844,192
Vehicles	3,859,886	625,985	(145,975)	4,339,896
Infrastructure:				
Roads	38,732,597	523,036	(619,047)	38,636,586
Traffic Signals	1,588,375	0	0	1,588,375
Rubberized Railroad Crossings	127,432	169,585	0	297,017
Storm Sewers	2,476,279	0	0	2,476,279
<i>Total Capital Assets Being Depreciated</i>	<u>68,463,657</u>	<u>2,402,356</u>	<u>(808,422)</u>	<u>70,057,591</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,328,711)	(359,841)	0	(2,688,552)
Machinery and Equipment	(1,962,917)	(332,223)	43,400	(2,251,740)
Furniture and Fixtures	(576,194)	(118,923)	0	(695,117)
Vehicles	(2,689,302)	(281,651)	143,545	(2,827,408)
Infrastructure:				
Roads	(23,800,900)	(1,476,190)	619,047	(24,658,043)
Traffic Signals	(274,098)	(63,535)	0	(337,633)
Rubberized Railroad Crossings	(6,764)	(1,424)	0	(8,188)
Storm Sewers	(627,329)	(53,513)	0	(680,842)
<i>Total Accumulated Depreciation</i>	<u>(32,266,215)</u>	<u>(2,687,300) *</u>	<u>805,992</u>	<u>(34,147,523)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>36,197,442</u>	<u>(284,944)</u>	<u>(2,430)</u>	<u>35,910,068</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$39,105,435</u>	<u>\$468,211</u>	<u>(\$330,334)</u>	<u>\$39,243,312</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	69,935	185,330	(19,215)	236,050
<i>Total Capital Assets Not Being Depreciated</i>	98,555	185,330	(19,215)	264,670
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	9,474,130	0	0	9,474,130
Machinery and Equipment	6,304,425	16,962	0	6,321,387
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	356,142	0	0	356,142
Infrastructure:				
Water Lines	3,848,665	549,111	0	4,397,776
Sanitary Sewer Lines	2,943,267	154,684	0	3,097,951
<i>Total Capital Assets Being Depreciated</i>	23,020,401	720,757	0	23,741,158
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,599,049)	(178,879)	0	(2,777,928)
Machinery and Equipment	(5,835,177)	(207,677)	0	(6,042,854)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(136,439)	(32,940)	0	(169,379)
Infrastructure:				
Water Lines	(658,194)	(51,449)	0	(709,643)
Sanitary Sewer Lines	(634,886)	(34,539)	0	(669,425)
<i>Total Accumulated Depreciation</i>	(9,957,517)	(505,484)	0	(10,463,001)
<i>Total Capital Assets Being Depreciated, Net</i>	13,062,884	215,273	0	13,278,157
<i>Total Business-Type Capital Assets, Net</i>	\$13,161,439	\$400,603	(\$19,215)	\$13,542,827

* Depreciation expense was charged to governmental functions as follows:

General Government	\$470,442
Security of Persons and Property	
Police	191,319
Fire	164,345
Public Health and Welfare	2,577
Leisure Time Activities	90,550
Community Development	8,626
Basic Utilities Services	8,933
Transportation	1,750,508
Total	\$2,687,300

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 10 - Interfund Transfers and Balances

A. Interfund Transfers

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Fire Medic Levy	\$2,180,895	\$0	\$2,180,895
Other Governmental Funds:			
Community Development Block Grant	120,000	0	120,000
Enterprise Zone	310,765	0	310,765
Recreation	1,249,295	0	1,249,295
Cemetery	83,860	0	83,860
Street Construction, Maintenance and Repair	287,675	0	287,675
Grants	4,500	0	4,500
Police Pension	489,580	0	489,580
Fire Pension	524,555	0	524,555
General Obligation Bond Retirement	0	141,451	141,451
Municipal Pool	27,225	0	27,225
Capital Improvement	455,000	0	455,000
Total Other Governmental Funds	3,552,455	141,451	3,693,906
Total	\$5,733,350	\$141,451	\$5,874,801

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.

B. Interfund Balances

The interfund balance at December 31, 2007, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$10,000. This loan was made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loan. This loan is expected to be repaid in one year.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 12 - 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				
General Obligation Bonds				
Various Purpose	2006	2027	4.00-4.125 %	\$8,929,000
City Hall (Refunded \$3,115,000)	1999	2009	3.85-5.45	5,000,000
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
Special Assessment Bonds				
Rockside Road Water	1988	2008	7.50	195,300
Rockside Road Sanitary Sewer	1988	2008	7.50	217,000
Northfield and Rockside Resurfacing	1993	2012	6.50-6.40	250,000
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
Ohio Public Works Commission Loans				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
Police Pension	1968	2035	4.25	245,922
Business-Type Activities				
General Obligation Bonds				
<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
<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
Ohio Water Development Loans				
<i>Wastewater</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	2023	3.90	2,427,022
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

City of Bedford, Ohio
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For the Year Ended December 31, 2007

Changes in long-term obligations during the year ended December 31, 2007, consisted of the following:

	Balance 12/31/06	Increase	Decrease	Balance 12/31/07	Amounts Due in One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
Various Purpose Bonds	\$8,929,000	\$0	\$59,600	\$8,869,400	\$87,900
Premium on Various Purpose Bonds	59,634	0	2,862	56,772	0
Discount on Various Purpose Bonds	(53,944)	0	(2,589)	(51,355)	0
Loss on Refunding	(442,857)	0	(21,258)	(421,599)	0
Total Various Purpose Bonds	8,491,833	0	38,615	8,453,218	87,900
City Hall	675,000	0	215,000	460,000	225,000
City Hall	1,720,000	0	145,000	1,575,000	150,000
City Hall Court	930,000	0	55,000	875,000	60,000
Total General Obligation Bonds	11,816,833	0	453,615	11,363,218	522,900
<i>Special Assessment Bonds</i>					
Rockside Road Water	27,000	0	13,500	13,500	13,500
Rockside Road Sanitary Sewer	3,000	0	1,500	1,500	1,500
Northfield and Rockside Resurfacing	100,000	0	15,000	85,000	15,000
Northfield and Rockside Resurfacing #2	440,000	0	40,000	400,000	40,000
Total Special Assessment Bonds	570,000	0	70,000	500,000	70,000
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	166,950	0	22,260	144,690	22,260
Wandle Avenue	363,005	0	25,929	337,076	25,929
Total Ohio Public Works Commission Loans	529,955	0	48,189	481,766	48,189
<i>Other Long-Term Obligations</i>					
Police Pension	201,888	0	3,755	198,133	3,917
Capital Leases Payable	12,458	0	3,195	9,263	3,407
Compensated Absences Payable	1,294,349	462,461	491,352	1,265,458	414,278
Total Other Long-Term Obligations	1,508,695	462,461	498,302	1,472,854	421,602
Total Governmental Activities	\$14,425,483	\$462,461	\$1,070,106	\$13,817,838	\$1,062,691

City of Bedford, Ohio
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For the Year Ended December 31, 2007

	Balance 12/31/06	Increase	Decrease	Balance 12/31/07	Amounts Due in One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$550,000	\$0	\$40,000	\$510,000	\$45,000
Unamortized Loss	(22,469)	0	(2,043)	(20,426)	0
Total Water Refunding #1	527,531	0	37,957	489,574	45,000
Water Refunding #2	780,000	0	120,000	660,000	125,000
Unamortized Loss	(27,670)	0	(4,612)	(23,058)	0
Total Water Refunding #2	752,330	0	115,388	636,942	125,000
Washington Street Water	646,000	0	20,400	625,600	22,100
Unamortized Premium	4,411	0	212	4,199	0
Unamortized Discount	(3,976)	0	(191)	(3,785)	0
Total Washington Street Water	646,435	0	20,421	626,014	22,100
Sewer Improvement Refunding	315,000	0	0	315,000	0
Unamortized Premium	1,198	0	58	1,140	0
Unamortized Discount	(793)	0	(38)	(755)	0
Unamortized Loss	(18,606)	0	(893)	(17,713)	0
Total Sewer Improvement Refunding	296,799	0	(873)	297,672	0
Sewer Improvement	340,000	0	30,000	310,000	30,000
Total General Obligation Bonds	2,563,095	0	202,893	2,360,202	222,100
<i>OWDA Loans</i>					
Sewer System	5,073,595	0	625,819	4,447,776	656,218
Unamortized Loss	(479,447)	0	(73,762)	(405,685)	0
Total Sewer System	4,594,148	0	552,057	4,042,091	656,218
Rapid Sandfilter	2,171,116	0	92,107	2,079,009	95,734
Total OWDA Loans	6,765,264	0	644,164	6,121,100	751,952
<i>OPWC Loans</i>					
Northfield Road Water Line	0	150,774	0	150,774	0
Flow Control	33,307	0	4,163	29,144	4,163
Oxidation Tower Improvements	760,614	0	41,114	719,500	41,114
Total OPWC Loans	793,921	150,774	45,277	899,418	45,277
<i>Other Long-Term Liabilities</i>					
Compensated Absences	121,030	38,641	36,194	123,477	25,135
Total Business-Type Activities	\$10,243,310	\$189,415	\$928,528	\$9,504,197	\$1,044,464

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 and income tax from the appropriate enterprise fund. 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 fire medic levy special revenue funds and water and wastewater enterprise funds. The capital leases payable will be paid from the general fund. The police pension loan will be paid from the general fund.

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, 2007, \$1,095,000 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, 2007, \$7,345,000 of the defeased bonds are still outstanding.

A line of credit has been established with the Ohio Public Works Commission in the amount \$400,000 for the Northfield Water Line, however, since this loan has not been finalized, a repayment schedule is not included in the schedule of debt service requirements. The City has expended the \$150,774 on the water line renovations.

The City's overall legal debt margin was \$21,974,803 at December 31, 2007. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2007, are as follows:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$522,900	\$480,131	\$70,000	\$30,705	\$3,917	\$8,379	\$48,189
2009	541,200	458,443	60,000	26,440	4,085	8,211	48,189
2010	566,200	435,380	60,000	22,735	4,261	8,036	48,189
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
2013-2017	3,440,400	1,550,244	170,000	21,045	26,333	35,148	163,035
2018-2022	2,939,800	833,337	0	0	32,497	28,984	77,786
2023-2027	2,571,600	313,183	0	0	40,101	21,380	0
2028-2032	0	0	0	0	49,487	12,025	0
2033-2035	0	0	0	0	28,375	1,811	0
Total	\$11,779,400	\$4,873,151	\$500,000	\$134,655	\$198,133	\$139,489	\$481,766

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC Loan
	Principal	Interest	Principal	Interest	
2008	\$222,100	\$94,512	\$751,953	\$285,869	\$45,277
2009	233,800	87,277	787,599	250,222	45,277
2010	233,800	79,123	824,943	212,880	45,277
2011	250,500	70,581	864,065	173,758	45,277
2011	257,200	60,896	905,048	132,774	45,277
2012-2016	624,600	202,383	1,460,264	281,120	213,900
2017-2021	425,200	87,248	762,038	117,415	205,573
2022-2026	173,400	17,680	170,875	5,014	102,786
Total	\$2,420,600	\$699,700	\$6,526,785	\$1,459,052	\$748,644

Note 13 - Capital Leases

In prior years, the City entered into a lease agreement for a copier. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2007 follows:

	Amounts
Asset:	
Equipment	\$16,650
Less: Accumulated Depreciation	(6,660)
Current Book Value	<u>\$9,990</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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,	
2008	\$3,900
2009	3,900
2010	2,275
Total Minimum Lease Payments	10,075
Less: Amount Representing Interest	(812)
Present Value of Minimum Lease	\$9,263

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

Note 14 - Defined Benefit Pension Plans

A. 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 plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, the members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement member contributed 10.1 percent.

The City’s contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City’s contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$479,077, \$558,823 and \$567,654 respectively; 79.50 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$2,131 made by the City and \$1,462 made by the plan members.

B. 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 adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City contribution was 19.5 percent for police officers and 24 percent for firefighters. Contributions rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were \$280,050 and \$328,623 for the year ended December 31, 2007, \$271,724 and \$318,366 for the year ended December 31, 2006, and \$253,677 and \$311,312 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 74.10 percent has been contributed for police and 72.69 percent has been contributed for firefighters for 2007.

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, 2007, the unfunded liability of the City was \$198,133 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

Note 15 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten 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 require, 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

Fund Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer’s contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree’s 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, 2007, 2006, and 2005 were \$315,560, \$273,337 and \$237,761 respectively; 79.50 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen’s Disability and Pension Fund

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

OP&F provides access to post-retirement healthcare 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 Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&B Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Funding Policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees’ primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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. Active members do not make contributions to the OPEB Plan.

The City’s contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$184,714 and \$156,728 for the year ended December 31, 2007, \$179,222 and \$151,836 for the year ended December 31, 2006, and \$167,319 and \$148,472 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 74.10 percent has been contributed for police and 72.69 percent has been contributed for firefighters for 2007.

Note 16 - Risk Management

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

Type of Coverage	Coverage	Deductible
Automobile Liability	\$5,000,000	
General Liability	5,000,000 per occurrence	\$1,000
Property Liability	37,592,984	1,000
Boiler and Machinery	10,000,000	1,000
Firefighters Errors and Omissions	5,000,000 per occurrence	1,000
Ambulance Professional	5,000,000 per occurrence	1,000
Law Enforcement Liability	5,000,000 per occurrence	2,500
Public Officials Liability	5,000,000 aggregate	2,500
Uninsured Motorists	25,000	0
Stop Gap	1,000,000	1,000
Municipal Attorney and Law Director Liability	1,000,000	2,500

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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

The claims liability of \$140,665 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2007, 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 2006 and 2007 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2006	\$100,035	\$1,242,172	\$1,220,887	\$121,320
2007	121,320	1,892,849	1,873,504	140,665

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

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

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

Nonmajor Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

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

Municipal Pool Fund - To account for the receipt of bond proceeds to be used for the pool renovation.

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

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,196,672	\$443,234	\$1,366,452	\$6,006,358
Property Taxes Receivable	173,558	0	0	173,558
Intergovernmental Receivable	383,847	0	51,320	435,167
Accrued Interest Receivable	394	0	219	613
Materials and Supplies Inventory	13,127	0	0	13,127
Special Assessments Receivable	346,115	789,054	0	1,135,169
<i>Total Assets</i>	<u>\$5,113,713</u>	<u>\$1,232,288</u>	<u>\$1,417,991</u>	<u>\$7,763,992</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$216,421	\$0	\$107,009	\$323,430
Accrued Wages and Benefits	17,378	0	0	17,378
Intergovernmental Payable	285,259	0	0	285,259
Interfund Payable	10,000	0	0	10,000
Deferred Revenue	747,862	789,054	336,000	1,872,916
<i>Total Liabilities</i>	<u>1,276,920</u>	<u>789,054</u>	<u>443,009</u>	<u>2,508,983</u>
Fund Balances				
Reserved for Encumbrances	679,317	0	151,824	831,141
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	3,157,476	0	0	3,157,476
Debt Service Funds	0	443,234	0	443,234
Capital Projects Funds	0	0	823,158	823,158
<i>Total Fund Balances</i>	<u>3,836,793</u>	<u>443,234</u>	<u>974,982</u>	<u>5,255,009</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,113,713</u>	<u>\$1,232,288</u>	<u>\$1,417,991</u>	<u>\$7,763,992</u>

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$167,290	\$0	\$0	\$167,290
Municipal Income Taxes	0	769,619	0	769,619
Charges for Services	396,350	0	0	396,350
Fees, Licenses and Permits	9,500	0	0	9,500
Fines and Forfeitures	207,895	0	144,783	352,678
Intergovernmental	1,069,666	0	307,611	1,377,277
Special Assessments	395,404	103,351	0	498,755
Contributions and Donations	45,100	0	0	45,100
Interest	165,261	48,644	62,552	276,457
Other	423,271	0	14,000	437,271
<i>Total Revenues</i>	<u>2,879,737</u>	<u>921,614</u>	<u>528,946</u>	<u>4,330,297</u>
Expenditures				
Current:				
General Government:	83,709	0	0	83,709
Security of Persons and Property:				
Police	1,077,387	0	0	1,077,387
Fire	1,034,728	0	0	1,034,728
Public Health and Welfare	138,646	0	0	138,646
Leisure Time Activities	1,237,254	0	0	1,237,254
Community Development	572,219	0	0	572,219
Basic Utility Services	282,145	0	0	282,145
Transportation	955,559	0	0	955,559
Capital Outlay	0	0	1,865,496	1,865,496
Debt Service:				
Principal Retirement	0	592,789	0	592,789
Interest and Fiscal Charges	0	563,734	0	563,734
<i>Total Expenditures</i>	<u>5,381,647</u>	<u>1,156,523</u>	<u>1,865,496</u>	<u>8,403,666</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,501,910)</u>	<u>(234,909)</u>	<u>(1,336,550)</u>	<u>(4,073,369)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	15,718	0	0	15,718
Transfers In	3,070,230	141,451	482,225	3,693,906
Transfers Out	(141,451)	0	0	(141,451)
<i>Total Other Financing Sources (Uses)</i>	<u>2,944,497</u>	<u>141,451</u>	<u>482,225</u>	<u>3,568,173</u>
<i>Net Change in Fund Balances</i>	442,587	(93,458)	(854,325)	(505,196)
<i>Fund Balances Beginning of Year</i>	<u>3,394,206</u>	<u>536,692</u>	<u>1,829,307</u>	<u>5,760,205</u>
<i>Fund Balances End of Year</i>	<u>\$3,836,793</u>	<u>\$443,234</u>	<u>\$974,982</u>	<u>\$5,255,009</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
Assets				
Equity in Pooled Cash and Cash Equivalents	\$221,620	\$143,529	\$105,487	\$100,100
Property Taxes Receivable	0	0	0	0
Intergovernmental Receivable	39,901	0	21,116	0
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$261,521</u>	<u>\$143,529</u>	<u>\$126,603</u>	<u>\$100,100</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$88,159	\$0	\$0	\$3,705
Accrued Wages and Benefits	0	2,050	0	0
Intergovernmental Payable	0	2,184	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	14,172	0
<i>Total Liabilities</i>	<u>88,159</u>	<u>4,234</u>	<u>14,172</u>	<u>3,705</u>
Fund Balances				
Reserved for Encumbrances	12,568	0	38,724	0
Unreserved, Undesignated	160,794	139,295	73,707	96,395
<i>Total Fund Balances</i>	<u>173,362</u>	<u>139,295</u>	<u>112,431</u>	<u>96,395</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$261,521</u>	<u>\$143,529</u>	<u>\$126,603</u>	<u>\$100,100</u>

Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair
\$275,926	\$263,638	\$106,583	\$1,463	\$280,424	\$1,011,213
0	0	0	0	0	0
0	0	0	0	0	260,907
0	0	0	0	0	0
13,127	0	0	0	0	0
0	0	0	0	318,183	0
<u>\$289,053</u>	<u>\$263,638</u>	<u>\$106,583</u>	<u>\$1,463</u>	<u>\$598,607</u>	<u>\$1,272,120</u>
\$12,055	\$0	\$1,029	\$0	\$24,088	\$72,855
9,483	0	1,558	0	0	4,287
13,691	0	1,627	0	0	4,381
0	0	0	0	0	0
0	0	0	0	318,183	175,266
<u>35,229</u>	<u>0</u>	<u>4,214</u>	<u>0</u>	<u>342,271</u>	<u>256,789</u>
3,490	0	3,754	0	0	462,736
250,334	263,638	98,615	1,463	256,336	552,595
<u>253,824</u>	<u>263,638</u>	<u>102,369</u>	<u>1,463</u>	<u>256,336</u>	<u>1,015,331</u>
<u>\$289,053</u>	<u>\$263,638</u>	<u>\$106,583</u>	<u>\$1,463</u>	<u>\$598,607</u>	<u>\$1,272,120</u>

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2007

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
Assets				
Equity in Pooled Cash and Cash Equivalents	\$38,615	\$144,239	\$281,720	\$75,197
Property Taxes Receivable	0	0	0	0
Intergovernmental Receivable	0	43,650	0	8,473
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$38,615</u>	<u>\$187,889</u>	<u>\$281,720</u>	<u>\$83,670</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,024	\$0	\$8,506	\$5,000
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	28,951	0	0
<i>Total Liabilities</i>	<u>1,024</u>	<u>28,951</u>	<u>8,506</u>	<u>5,000</u>
Fund Balances				
Reserved for Encumbrances	45	108,082	45,765	3,160
Unreserved, Undesignated	37,546	50,856	227,449	75,510
<i>Total Fund Balances</i>	<u>37,591</u>	<u>158,938</u>	<u>273,214</u>	<u>78,670</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$38,615</u>	<u>\$187,889</u>	<u>\$281,720</u>	<u>\$83,670</u>

Municipal Court Special Programs	Housing Rehabilitation Program	Police Pension	Fire Pension	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$617,418	\$129,870	\$190,901	\$167,202	\$41,527	\$4,196,672
0	0	86,779	86,779	0	173,558
0	0	4,900	4,900	0	383,847
370	0	0	0	24	394
0	0	0	0	0	13,127
0	27,932	0	0	0	346,115
<u>\$617,788</u>	<u>\$157,802</u>	<u>\$282,580</u>	<u>\$258,881</u>	<u>\$41,551</u>	<u>\$5,113,713</u>
\$0	\$0	\$0	\$0	\$0	\$216,421
0	0	0	0	0	17,378
0	0	125,673	137,703	0	285,259
0	10,000	0	0	0	10,000
0	27,932	91,679	91,679	0	747,862
<u>0</u>	<u>37,932</u>	<u>217,352</u>	<u>229,382</u>	<u>0</u>	<u>1,276,920</u>
0	993	0	0	0	679,317
617,788	118,877	65,228	29,499	41,551	3,157,476
617,788	119,870	65,228	29,499	41,551	3,836,793
<u>\$617,788</u>	<u>\$157,802</u>	<u>\$282,580</u>	<u>\$258,881</u>	<u>\$41,551</u>	<u>\$5,113,713</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, 2007

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	3,425	0	0	0
Fees, Licenses and Permits	0	9,500	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	114,687	0	42,948	14,102
Special Assessments	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	5,014	5,002	6,134
Other	0	0	0	0
<i>Total Revenues</i>	<u>118,112</u>	<u>14,514</u>	<u>47,950</u>	<u>20,236</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health and Welfare	0	0	0	32,630
Leisure Time Activities	0	0	0	0
Community Development	318,768	252,951	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	7,350	0
<i>Total Expenditures</i>	<u>318,768</u>	<u>252,951</u>	<u>7,350</u>	<u>32,630</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(200,656)</u>	<u>(238,437)</u>	<u>40,600</u>	<u>(12,394)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	120,000	310,765	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>120,000</u>	<u>310,765</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(80,656)	72,328	40,600	(12,394)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>254,018</u>	<u>66,967</u>	<u>71,831</u>	<u>108,789</u>
<i>Fund Balances End of Year</i>	<u>\$173,362</u>	<u>\$139,295</u>	<u>\$112,431</u>	<u>\$96,395</u>

Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair
\$0	\$0	\$0	\$0	\$0	\$0
96,845	0	40,510	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	197,784	0	610	0	531,002
0	0	0	0	291,969	0
0	0	0	0	0	0
13,581	0	5,511	68	14,149	53,681
180	419,776	390	0	63	0
<u>110,606</u>	<u>617,560</u>	<u>46,411</u>	<u>678</u>	<u>306,181</u>	<u>584,683</u>
0	0	0	0	0	0
0	541,118	0	0	0	0
0	0	0	0	0	0
0	0	101,016	0	0	0
1,228,562	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	282,145	0
0	0	0	0	0	774,935
<u>1,228,562</u>	<u>541,118</u>	<u>101,016</u>	<u>0</u>	<u>282,145</u>	<u>774,935</u>
<u>(1,117,956)</u>	<u>76,442</u>	<u>(54,605)</u>	<u>678</u>	<u>24,036</u>	<u>(190,252)</u>
6,899	0	0	0	0	5,000
1,249,295	0	83,860	0	0	287,675
0	0	0	0	0	0
<u>1,256,194</u>	<u>0</u>	<u>83,860</u>	<u>0</u>	<u>0</u>	<u>292,675</u>
138,238	76,442	29,255	678	24,036	102,423
<u>115,586</u>	<u>187,196</u>	<u>73,114</u>	<u>785</u>	<u>232,300</u>	<u>912,908</u>
<u>\$253,824</u>	<u>\$263,638</u>	<u>\$102,369</u>	<u>\$1,463</u>	<u>\$256,336</u>	<u>\$1,015,331</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, 2007

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	254,920	650
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	27,014	0	0	0
Intergovernmental	0	87,093	0	55,587
Special Assessments	0	0	0	0
Special Assessments	0	0	0	45,100
Interest	1,520	7,468	16,770	0
Other	0	0	0	2,837
<i>Total Revenues</i>	<u>28,534</u>	<u>94,561</u>	<u>271,690</u>	<u>104,174</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	10,492	0	0	72,541
Fire	0	0	520,506	22,259
Public Health and Welfare	0	0	0	5,000
Leisure Time Activities	0	0	0	8,692
Community Development	0	0	0	500
Basic Utility Services	0	0	0	0
Transportation	0	173,274	0	0
<i>Total Expenditures</i>	<u>10,492</u>	<u>173,274</u>	<u>520,506</u>	<u>108,992</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>18,042</u>	<u>(78,713)</u>	<u>(248,816)</u>	<u>(4,818)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,819	0	0	0
Transfers In	0	0	0	4,500
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,819</u>	<u>0</u>	<u>0</u>	<u>4,500</u>
<i>Net Change in Fund Balances</i>	21,861	(78,713)	(248,816)	(318)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>15,730</u>	<u>237,651</u>	<u>522,030</u>	<u>78,988</u>
<i>Fund Balances End of Year</i>	<u>\$37,591</u>	<u>\$158,938</u>	<u>\$273,214</u>	<u>\$78,670</u>

Municipal Court Special Programs	Housing Rehabilitation Program	Police Pension	Fire Pension	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$83,645	\$83,645	\$0	\$167,290
0	0	0	0	0	396,350
0	0	0	0	0	9,500
180,881	0	0	0	0	207,895
0	0	12,927	12,926	0	1,069,666
0	103,435	0	0	0	395,404
0	0	0	0	0	45,100
34,399	0	0	0	1,964	165,261
0	0	0	0	25	423,271
<u>215,280</u>	<u>103,435</u>	<u>96,572</u>	<u>96,571</u>	<u>1,989</u>	<u>2,879,737</u>
0	83,709	0	0	0	83,709
0	0	453,236	0	0	1,077,387
0	0	0	491,963	0	1,034,728
0	0	0	0	0	138,646
0	0	0	0	0	1,237,254
0	0	0	0	0	572,219
0	0	0	0	0	282,145
0	0	0	0	0	955,559
<u>0</u>	<u>83,709</u>	<u>453,236</u>	<u>491,963</u>	<u>0</u>	<u>5,381,647</u>
<u>215,280</u>	<u>19,726</u>	<u>(356,664)</u>	<u>(395,392)</u>	<u>1,989</u>	<u>(2,501,910)</u>
0	0	0	0	0	15,718
0	0	489,580	524,555	0	3,070,230
<u>(141,451)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(141,451)</u>
<u>(141,451)</u>	<u>0</u>	<u>489,580</u>	<u>524,555</u>	<u>0</u>	<u>2,944,497</u>
73,829	19,726	132,916	129,163	1,989	442,587
<u>543,959</u>	<u>100,144</u>	<u>(67,688)</u>	<u>(99,664)</u>	<u>39,562</u>	<u>3,394,206</u>
<u>\$617,788</u>	<u>\$119,870</u>	<u>\$65,228</u>	<u>\$29,499</u>	<u>\$41,551</u>	<u>\$3,836,793</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$229,285	\$213,949	\$443,234
Special Assessments Receivable	0	789,054	789,054
<i>Total Assets</i>	<u>\$229,285</u>	<u>\$1,003,003</u>	<u>\$1,232,288</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$789,054	\$789,054
Fund Balances			
Unreserved, Undesignated	<u>229,285</u>	<u>213,949</u>	<u>443,234</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$229,285</u>	<u>\$1,003,003</u>	<u>\$1,232,288</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, 2007

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Municipal Income Taxes	\$769,619	\$0	\$769,619
Special Assessments	0	103,351	103,351
Interest	35,145	13,499	48,644
<i>Total Revenues</i>	<u>804,764</u>	<u>116,850</u>	<u>921,614</u>
Expenditures			
Debt Service:			
Principal Retirement	522,789	70,000	592,789
Interest and Fiscal Charges	528,804	34,930	563,734
<i>Total Expenditures</i>	<u>1,051,593</u>	<u>104,930</u>	<u>1,156,523</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(246,829)	11,920	(234,909)
Other Financing Sources			
Transfers In	141,451	0	141,451
<i>Net Change in Fund Balances</i>	(105,378)	11,920	(93,458)
<i>Fund Balances Beginning of Year</i>	<u>334,663</u>	<u>202,029</u>	<u>536,692</u>
<i>Fund Balances End of Year</i>	<u><u>\$229,285</u></u>	<u><u>\$213,949</u></u>	<u><u>\$443,234</u></u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	<u>Municipal Court Improvement</u>	<u>Capital Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$387,953	\$978,499	\$1,366,452
Intergovernmental Receivable	0	51,320	51,320
Accrued Interest Receivable	219	0	219
<i>Total Assets</i>	<u>\$388,172</u>	<u>\$1,029,819</u>	<u>\$1,417,991</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$1,780	\$105,229	\$107,009
Deferred Revenue	0	336,000	336,000
<i>Total Liabilities</i>	<u>1,780</u>	<u>441,229</u>	<u>443,009</u>
Fund Balances			
Reserved for Encumbrances	0	151,824	151,824
Unreserved, Undesignated	386,392	436,766	823,158
<i>Total Fund Balances</i>	<u>386,392</u>	<u>588,590</u>	<u>974,982</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$388,172</u>	<u>\$1,029,819</u>	<u>\$1,417,991</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, 2007

	Municipal Court Improvement	Municipal Pool	Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues				
Fines and Forfeitures	\$144,783	\$0	\$0	\$144,783
Intergovernmental	0	0	307,611	307,611
Interest	18,302	0	44,250	62,552
Other	0	0	14,000	14,000
<i>Total Revenues</i>	163,085	0	365,861	528,946
Expenditures				
Capital Outlay	94,941	749,881	1,020,674	1,865,496
<i>Excess of Revenues Over (Under) Expenditures</i>	68,144	(749,881)	(654,813)	(1,336,550)
Other Financing Sources				
Transfers In	0	27,225	455,000	482,225
<i>Net Change in Fund Balances</i>	68,144	(722,656)	(199,813)	(854,325)
<i>Fund Balances Beginning of Year</i>	318,248	722,656	788,403	1,829,307
<i>Fund Balances End of Year</i>	\$386,392	\$0	\$588,590	\$974,982

Combining Statement - Agency Funds

Agency Funds

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

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

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

City of Bedford, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	Beginning Balance 12/31/06	Additions	Deductions	Ending Balance 12/31/07
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$290,842	\$5,155,884	\$5,391,748	\$54,978
Liabilities				
Deposits Held and Due to Others	\$290,842	\$5,155,884	\$5,391,748	\$54,978
 <i>State Inspection Fee</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$96	\$3,026	\$3,088	\$34
Liabilities				
Deposits Held and Due to Others	\$96	\$3,026	\$3,088	\$34
 <i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$96	\$3,026	\$3,088	\$34
Cash and Cash Equivalents In Segregated Accounts	290,842	5,155,884	5,391,748	54,978
Total Assets	\$290,938	\$5,158,910	\$5,394,836	\$55,012
Liabilities				
Deposits Held and Due to Others	\$290,938	\$5,158,910	\$5,394,836	\$55,012

**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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,514,552	\$2,514,552	\$2,622,155	\$107,603
Municipal Income Taxes	10,709,370	9,934,370	9,895,078	(39,292)
Charges for Services	289,090	292,090	275,731	(16,359)
Fees, Licenses and Permits	181,220	206,220	278,862	72,642
Fines and Forfeitures	1,213,380	1,313,380	1,393,853	80,473
Intergovernmental	1,954,009	1,994,009	1,940,889	(53,120)
Interest	400,000	400,000	435,786	35,786
Rentals	1,200	1,200	20,010	18,810
Other	24,350	24,350	21,061	(3,289)
<i>Total Revenues</i>	<u>17,287,171</u>	<u>16,680,171</u>	<u>16,883,425</u>	<u>203,254</u>
Expenditures				
Current:				
General Government:				
Council and Clerk:				
Personal Services	258,920	276,255	257,292	18,963
Other	78,230	75,000	55,250	19,750
Total Council and Clerk	<u>337,150</u>	<u>351,255</u>	<u>312,542</u>	<u>38,713</u>
Finance Department:				
Personal Services	436,730	464,508	413,712	50,796
Other	395,175	389,197	345,148	44,049
Total Finance Department	<u>831,905</u>	<u>853,705</u>	<u>758,860</u>	<u>94,845</u>
Income Tax Department:				
Personal Services	197,085	197,085	183,940	13,145
Other	186,071	226,071	194,665	31,406
Total Income Tax Department	<u>383,156</u>	<u>423,156</u>	<u>378,605</u>	<u>44,551</u>
City Manager:				
Personal Services	360,055	362,055	344,886	17,169
Other	35,207	35,207	18,612	16,595
Total City Manager	<u>\$395,262</u>	<u>\$397,262</u>	<u>\$363,498</u>	<u>\$33,764</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$127,235	\$127,235	\$125,241	\$1,994
Other	115,840	115,840	110,472	5,368
Total Law Department	243,075	243,075	235,713	7,362
Engineering:				
Personal Services	14,665	14,665	14,662	3
Other	39,004	39,004	24,468	14,536
Total Engineering	53,669	53,669	39,130	14,539
Municipal Court:				
Personal Services	1,782,385	1,785,885	1,607,878	178,007
Other	227,815	267,815	220,950	46,865
Total Municipal Court	2,010,200	2,053,700	1,828,828	224,872
Special Projects:				
Other	95,442	298,442	69,959	228,483
Civil Service Commission:				
Personal Services	4,905	4,905	3,352	1,553
Other	34,263	45,263	28,562	16,701
Total Civil Service Commission	39,168	50,168	31,914	18,254
Land and Building:				
Personal Services	148,175	151,375	147,821	3,554
Other	594,228	594,228	457,037	137,191
Total Land and Building	742,403	745,603	604,858	140,745
County Auditor Deductions:				
Other	69,520	69,520	56,383	13,137
Total General Government	\$5,200,950	\$5,539,555	\$4,680,290	\$859,265

(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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$4,085,063	\$4,094,963	\$3,948,611	\$146,352
Capital Outlay	138,495	148,095	145,511	2,584
Other	341,814	346,914	337,581	9,333
Total Security of Persons and Property	4,565,372	4,589,972	4,431,703	158,269
Public Health and Welfare:				
Health Department:				
Other	51,170	51,170	51,170	0
Leisure Time Activities:				
Parks and Playground:				
Personal Services	14,075	14,075	3,456	10,619
Other	277,603	277,603	264,165	13,438
Total Leisure Time Activities	291,678	291,678	267,621	24,057
Community Development:				
Planning Commission Department:				
Personal Services	2,005	2,010	1,099	911
Other	3,700	3,700	2,002	1,698
Total Planning Commission Department	5,705	5,710	3,101	2,609
Board of Zoning Appeals:				
Other	400	400	0	400
Building Department:				
Personal Services	459,300	460,600	440,597	20,003
Other	43,902	54,902	40,638	14,264
Total Building Department	503,202	515,502	481,235	34,267
Total Community Development	509,307	521,612	484,336	37,276
Basic Utility Services:				
Refuse Collection:				
Personal Services	\$532,106	\$689,106	\$580,237	\$108,869

(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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transportation:				
Service Department:				
Personal Services	\$1,812,790	\$1,814,590	\$1,634,705	\$179,885
Capital Outlay	7,500	7,500	1,700	5,800
Other	49,736	49,736	19,640	30,096
Total Transportation	<u>1,870,026</u>	<u>1,871,826</u>	<u>1,656,045</u>	<u>215,781</u>
<i>Total Expenditures</i>	<u>13,020,609</u>	<u>13,554,919</u>	<u>12,151,402</u>	<u>1,403,517</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,266,562</u>	<u>3,125,252</u>	<u>4,732,023</u>	<u>1,606,771</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	12,500	12,500	25,454	12,954
Advances Out	0	(10,000)	(10,000)	0
Transfers Out	(5,560,355)	(5,734,350)	(5,733,350)	1,000
<i>Total Other Financing Sources (Uses)</i>	<u>(5,547,855)</u>	<u>(5,731,850)</u>	<u>(5,717,896)</u>	<u>13,954</u>
<i>Net Change in Fund Balance</i>	<u>(1,281,293)</u>	<u>(2,606,598)</u>	<u>(985,873)</u>	<u>1,620,725</u>
<i>Fund Balance Beginning of Year</i>	9,966,728	9,966,728	9,966,728	0
Prior Year Encumbrances Appropriated	<u>168,004</u>	<u>168,004</u>	<u>168,004</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,853,439</u></u>	<u><u>\$7,528,134</u></u>	<u><u>\$9,148,859</u></u>	<u><u>\$1,620,725</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Medic Levy Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$746,273	\$746,273	\$780,679	\$34,406
Fees, Licenses and Permits	1,750	1,750	2,362	612
Intergovernmental	162,389	162,389	122,035	(40,354)
Interest	5,000	5,000	15,777	10,777
<i>Total Revenues</i>	<u>915,412</u>	<u>915,412</u>	<u>920,853</u>	<u>5,441</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	2,869,415	2,873,415	2,738,069	135,346
Other	180,511	180,511	173,697	6,814
<i>Total Expenditures</i>	<u>3,049,926</u>	<u>3,053,926</u>	<u>2,911,766</u>	<u>142,160</u>
<i>Excess of Revenues Under Expenditures</i>	(2,134,514)	(2,138,514)	(1,990,913)	147,601
Other Financing Sources				
Transfers In	2,110,895	2,180,895	2,180,895	0
<i>Net Change in Fund Balance</i>	(23,619)	42,381	189,982	147,601
<i>Fund Balance Beginning of Year</i>	84,166	84,166	84,166	0
Prior Year Encumbrances Appropriated	30,521	30,521	30,521	0
<i>Fund Balance End of Year</i>	<u>\$91,068</u>	<u>\$157,068</u>	<u>\$304,669</u>	<u>\$147,601</u>

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,573,835	\$3,430,885	\$3,462,187	\$31,302
Other	242,286	265,286	30,248	(235,038)
Interest	36,000	70,000	94,123	24,123
Proceeds of OPWC Loans	150,774	150,774	150,774	0
Capital Grants	331,940	331,940	331,940	0
<i>Total Revenues</i>	4,334,835	4,248,885	4,069,272	(179,613)
Expenses				
Personal Services	574,580	574,680	489,152	85,528
Contractual Services	2,749,932	2,744,432	2,522,079	222,353
Materials and Supplies	52,904	67,766	60,548	7,218
Capital Outlay	36,313	827,201	813,117	14,084
Other	24,300	24,050	15,375	8,675
Other Non-Operating	2,500	2,500	2,368	132
Debt Service:				
Principal Retirement	160,000	180,400	180,400	0
Interest and Fiscal Charges	101,035	76,271	76,271	0
<i>Total Expenses</i>	3,701,564	4,497,300	4,159,310	337,990
<i>Net Change in Fund Equity</i>	633,271	(248,415)	(90,038)	158,377
<i>Fund Equity Beginning of Year</i>	1,472,837	1,472,837	1,472,837	0
Prior Year Encumbrances Appropriated	11,648	11,648	11,648	0
<i>Fund Equity End of Year</i>	\$2,117,756	\$1,236,070	\$1,394,447	\$158,377

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,232,000	\$2,232,000	\$2,014,086	(\$217,914)
Municipal Income Taxes	356,980	336,980	329,833	(7,147)
Other	0	0	500	500
Interest	73,700	73,700	95,415	21,715
Capital Grants	0	413,019	186,064	(226,955)
<i>Total Revenues</i>	2,662,680	3,055,699	2,625,898	(429,801)
Expenses				
Personal Services	977,505	980,005	935,972	44,033
Contractual Services	119,547	151,752	93,921	57,831
Materials and Supplies	447,786	415,765	294,192	121,573
Capital Outlay	633,641	683,395	601,216	82,179
Other	5,200	4,200	1,717	2,483
Other Non-Operating	2,634	2,634	1,484	1,150
Debt Service:				
Principal Retirement	805,650	805,650	793,203	12,447
Interest and Fiscal Charges	348,025	348,025	347,561	464
<i>Total Expenses</i>	3,339,988	3,391,426	3,069,266	322,160
<i>Net Change in Fund Equity</i>	(677,308)	(335,727)	(443,368)	(107,641)
<i>Fund Equity Beginning of Year</i>	1,695,580	1,695,580	1,695,580	0
Prior Year Encumbrances Appropriated	471,407	471,407	471,407	0
<i>Fund Equity End of Year</i>	\$1,489,679	\$1,831,260	\$1,723,619	(\$107,641)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$500	\$3,425	\$3,425	\$0
Intergovernmental	188,162	188,162	147,098	(41,064)
<i>Total Revenues</i>	188,662	191,587	150,523	(41,064)
Expenditures				
Current:				
Community Development:				
CDBG Department:				
Other	491,147	489,445	486,345	3,100
<i>Excess of Revenues Under Expenditures</i>	(302,485)	(297,858)	(335,822)	(37,964)
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(182,485)	(177,858)	(215,822)	(37,964)
<i>Fund Balance Beginning of Year</i>	189,097	189,097	189,097	0
Prior Year Encumbrances Appropriated	62,742	62,742	62,742	0
<i>Fund Balance End of Year</i>	\$69,354	\$73,981	\$36,017	(\$37,964)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enterprise Zone Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$7,250	\$7,250	\$9,500	\$2,250
Interest	3,300	3,300	5,014	1,714
<i>Total Revenues</i>	<u>10,550</u>	<u>10,550</u>	<u>14,514</u>	<u>3,964</u>
Expenditures				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	111,195	111,795	101,815	9,980
Other	213,631	213,631	154,918	58,713
<i>Total Expenditures</i>	<u>324,826</u>	<u>325,426</u>	<u>256,733</u>	<u>68,693</u>
<i>Excess of Revenues Under Expenditures</i>	(314,276)	(314,876)	(242,219)	72,657
Other Financing Sources				
Transfers In	310,765	310,765	310,765	0
<i>Net Change in Fund Balance</i>	(3,511)	(4,111)	68,546	72,657
<i>Fund Balance Beginning of Year</i>	74,782	74,782	74,782	0
Prior Year Encumbrances Appropriated	201	201	201	0
<i>Fund Balance End of Year</i>	<u>\$71,472</u>	<u>\$70,872</u>	<u>\$143,529</u>	<u>\$72,657</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$38,500	\$38,500	\$42,948	\$4,448
Interest	2,000	2,000	5,002	3,002
<i>Total Revenues</i>	40,500	40,500	47,950	7,450
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	46,074	46,074	46,074	0
<i>Net Change in Fund Balance</i>	(5,574)	(5,574)	1,876	7,450
<i>Fund Balance Beginning of Year</i>	56,813	56,813	56,813	0
Prior Year Encumbrances Appropriated	8,073	8,073	8,073	0
<i>Fund Balance End of Year</i>	\$59,312	\$59,312	\$66,762	\$7,450

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,500	\$15,500	\$13,852	(\$1,648)
Interest	2,000	2,000	6,134	4,134
<i>Total Revenues</i>	17,500	17,500	19,986	2,486
Expenditures				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	45,495	45,495	28,925	16,570
<i>Net Change in Fund Balance</i>	(27,995)	(27,995)	(8,939)	19,056
<i>Fund Balance Beginning of Year</i>	107,094	107,094	107,094	0
Prior Year Encumbrances Appropriated	1,495	1,495	1,495	0
<i>Fund Balance End of Year</i>	<u>\$80,594</u>	<u>\$80,594</u>	<u>\$99,650</u>	<u>\$19,056</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$102,515	\$102,515	\$96,845	(\$5,670)
Interest	6,000	6,000	13,581	7,581
Other	310	310	180	(130)
<i>Total Revenues</i>	<u>108,825</u>	<u>108,825</u>	<u>110,606</u>	<u>1,781</u>
Expenditures				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	341,612	342,612	339,532	3,080
Capital Outlay	0	865	0	865
Other	181,492	180,627	164,980	15,647
Total Playgrounds	<u>523,104</u>	<u>524,104</u>	<u>504,512</u>	<u>19,592</u>
Swimming Pool:				
Personal Services	144,990	151,490	150,238	1,252
Capital Outlay	13,000	13,000	7,445	5,555
Other	54,200	48,200	35,277	12,923
Total Swimming Pool	<u>212,190</u>	<u>212,690</u>	<u>192,960</u>	<u>19,730</u>
Ellenwood Center:				
Personal Services	529,945	530,045	453,160	76,885
Capital Outlay	9,685	9,685	9,252	433
Other	114,415	114,415	97,920	16,495
Total Ellenwood Center	<u>654,045</u>	<u>654,145</u>	<u>560,332</u>	<u>93,813</u>
<i>Total Expenditures</i>	<u>1,389,339</u>	<u>1,390,939</u>	<u>1,257,804</u>	<u>133,135</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,280,514)</u>	<u>(1,282,114)</u>	<u>(1,147,198)</u>	<u>134,916</u>
Other Financing Sources				
Sale of Capital Assets	0	0	6,899	6,899
Transfers In	1,249,295	1,249,295	1,249,295	0
<i>Total Other Financing Sources</i>	<u>1,249,295</u>	<u>1,249,295</u>	<u>1,256,194</u>	<u>6,899</u>
<i>Net Change in Fund Balance</i>	(31,219)	(32,819)	108,996	141,815
<i>Fund Balance Beginning of Year</i>	156,563	156,563	156,563	0
Prior Year Encumbrances Appropriated	1,179	1,179	1,179	0
<i>Fund Balance End of Year</i>	<u>\$126,523</u>	<u>\$124,923</u>	<u>\$266,738</u>	<u>\$141,815</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$58,210	\$232,733	\$237,410	\$4,677
Other	202,346	411,239	419,776	8,537
<i>Total Revenues</i>	<u>260,556</u>	<u>643,972</u>	<u>657,186</u>	<u>13,214</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	217,050	217,050	217,050	0
Capital Outlay	185,767	569,919	319,960	249,959
Other	12,062	11,326	10,861	465
<i>Total Expenditures</i>	<u>414,879</u>	<u>798,295</u>	<u>547,871</u>	<u>250,424</u>
<i>Net Change in Fund Balance</i>	(154,323)	(154,323)	109,315	263,638
<i>Fund Balance Beginning of Year</i>	142,262	142,262	142,262	0
Prior Year Encumbrances Appropriated	12,061	12,061	12,061	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$263,638</u>	<u>\$263,638</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$47,500	\$47,500	\$43,310	(\$4,190)
Interest	3,000	3,000	5,511	2,511
Other	150	150	390	240
<i>Total Revenues</i>	<u>50,650</u>	<u>50,650</u>	<u>49,211</u>	<u>(1,439)</u>
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	95,960	96,360	81,659	14,701
Other	38,659	40,359	24,013	16,346
<i>Total Expenditures</i>	<u>134,619</u>	<u>136,719</u>	<u>105,672</u>	<u>31,047</u>
<i>Excess of Revenues Under Expenditures</i>	(83,969)	(86,069)	(56,461)	29,608
Other Financing Sources				
Transfers In	83,860	83,860	83,860	0
<i>Net Change in Fund Balance</i>	(109)	(2,209)	27,399	29,608
<i>Fund Balance Beginning of Year</i>	75,321	75,321	75,321	0
Prior Year Encumbrances Appropriated	109	109	109	0
<i>Fund Balance End of Year</i>	<u>\$75,321</u>	<u>\$73,221</u>	<u>\$102,829</u>	<u>\$29,608</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$306	\$623	\$317
Interest	0	0	68	68
<i>Total Revenues</i>	0	306	691	385
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	306	691	385
<i>Fund Balance Beginning of Year</i>	747	747	747	0
<i>Fund Balance End of Year</i>	<u>\$747</u>	<u>\$1,053</u>	<u>\$1,438</u>	<u>\$385</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$286,500	\$286,500	\$291,969	\$5,469
Interest	5,500	5,500	14,149	8,649
Other	0	0	63	63
<i>Total Revenues</i>	292,000	292,000	306,181	14,181
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	290,000	290,000	280,581	9,419
<i>Net Change in Fund Balance</i>	2,000	2,000	25,600	23,600
<i>Fund Balance Beginning of Year</i>	254,824	254,824	254,824	0
<i>Fund Balance End of Year</i>	\$256,824	\$256,824	\$280,424	\$23,600

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$479,000	\$479,000	\$531,007	\$52,007
Interest	33,000	33,000	53,681	20,681
Other	150	150	0	(150)
<i>Total Revenues</i>	<u>512,150</u>	<u>512,150</u>	<u>584,688</u>	<u>72,538</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	243,645	243,745	228,232	15,513
Capital Outlay	171,663	176,663	167,709	8,954
Other	886,085	886,085	843,910	42,175
<i>Total Expenditures</i>	<u>1,301,393</u>	<u>1,306,493</u>	<u>1,239,851</u>	<u>66,642</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(789,243)</u>	<u>(794,343)</u>	<u>(655,163)</u>	<u>139,180</u>
Other Financing Sources				
Sale of Capital Assets	0	5,000	5,000	0
Transfers In	287,675	287,675	287,675	0
<i>Total Other Financing Sources</i>	<u>287,675</u>	<u>292,675</u>	<u>292,675</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(501,568)	(501,668)	(362,488)	139,180
<i>Fund Balance Beginning of Year</i>	390,829	390,829	390,829	0
Prior Year Encumbrances Appropriated	452,348	452,348	452,348	0
<i>Fund Balance End of Year</i>	<u>\$341,609</u>	<u>\$341,509</u>	<u>\$480,689</u>	<u>\$139,180</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$0	\$30,022	\$27,014	(\$3,008)
Interest	0	382	1,520	1,138
<i>Total Revenues</i>	0	30,404	28,534	(1,870)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Capital Outlay	10,000	5,652	5,348	304
Other	2,500	6,848	5,189	1,659
<i>Total Expenditures</i>	12,500	12,500	10,537	1,963
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,500)	17,904	17,997	93
Other Financing Sources				
Sale of Capital Assets	0	1,129	3,819	2,690
<i>Net Change in Fund Balance</i>	(12,500)	19,033	21,816	2,783
<i>Fund Balance Beginning of Year</i>	15,730	15,730	15,730	0
<i>Fund Balance End of Year</i>	\$3,230	\$34,763	\$37,546	\$2,783

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$85,500	\$85,500	\$87,745	\$2,245
Interest	4,500	4,500	7,468	2,968
<i>Total Revenues</i>	90,000	90,000	95,213	5,213
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	281,356	281,356	281,356	0
<i>Net Change in Fund Balance</i>	(191,356)	(191,356)	(186,143)	5,213
<i>Fund Balance Beginning of Year</i>	30,944	30,944	30,944	0
Prior Year Encumbrances Appropriated	191,356	191,356	191,356	0
<i>Fund Balance End of Year</i>	<u>\$30,944</u>	<u>\$30,944</u>	<u>\$36,157</u>	<u>\$5,213</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Equipment Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$200,000	\$200,000	\$254,920	\$54,920
Interest	15,000	15,000	16,770	1,770
<i>Total Revenues</i>	<u>215,000</u>	<u>215,000</u>	<u>271,690</u>	<u>56,690</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Equipment:				
Capital Outlay	560,546	563,116	563,116	0
Other	0	4,930	3,155	1,775
<i>Total Expenditures</i>	<u>560,546</u>	<u>568,046</u>	<u>566,271</u>	<u>1,775</u>
<i>Net Change in Fund Balance</i>	(345,546)	(353,046)	(294,581)	58,465
<i>Fund Balance Beginning of Year</i>	486,484	486,484	486,484	0
Prior Year Encumbrances Appropriated	35,546	35,546	35,546	0
<i>Fund Balance End of Year</i>	<u>\$176,484</u>	<u>\$168,984</u>	<u>\$227,449</u>	<u>\$58,465</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$750	\$750	\$650	(\$100)
Intergovernmental	62,634	71,071	51,327	(19,744)
Other	600	47,937	47,937	0
<i>Total Revenues</i>	<u>63,984</u>	<u>119,758</u>	<u>99,914</u>	<u>(19,844)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	0	332	331	1
Other	25,066	45,123	19,999	25,124
Total Police Department	<u>25,066</u>	<u>45,455</u>	<u>20,330</u>	<u>25,125</u>
Purdue/Ben Venue Grant				
Capital Outlay	588	588	0	588
Community Diversion:				
Personal Services	32,250	32,250	18,493	13,757
Other	367	1,167	767	400
Total Community Diversion	<u>32,617</u>	<u>33,417</u>	<u>19,260</u>	<u>14,157</u>
Third Grade Seatbelts				
Personal Services	612	612	612	0
Violence Against Women:				
Personal Services	39,557	39,557	39,557	0
Other	252	252	252	0
Total Violence Against Women	<u>39,809</u>	<u>39,809</u>	<u>39,809</u>	<u>0</u>
DARE Enforcement:				
Personal Services	4,500	4,500	690	3,810
Other	99	99	0	99
Total DARE Enforcement	<u>4,599</u>	<u>4,599</u>	<u>690</u>	<u>3,909</u>
Target Grant:				
Other	300	300	0	300
Total Police	<u>\$103,591</u>	<u>\$124,780</u>	<u>\$80,701</u>	<u>\$44,079</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department:				
Personal Services	\$0	\$606	\$606	\$0
Other	22,606	47,606	21,653	25,953
Total Fire	22,606	48,212	22,259	25,953
Total Security of Persons and Property	126,197	172,992	102,960	70,032
Leisure Time Activities:				
Food bank - Recreation:				
Other	4,974	15,474	9,745	5,729
Community Development:				
VFW Donation				
Other	500	500	500	0
Basic Utility Services:				
Service Department:				
Other	2,337	2,337	0	2,337
<i>Total Expenditures</i>	134,008	191,303	113,205	78,098
<i>Excess of Revenues Under Expenditures</i>	(70,024)	(71,545)	(13,291)	58,254
Other Financing Sources				
Transfers In	4,500	4,500	4,500	0
<i>Net Change in Fund Balance</i>	(65,524)	(67,045)	(8,791)	58,254
<i>Fund Balance Beginning of Year</i>	72,901	72,901	72,901	0
Prior Year Encumbrances Appropriated	2,929	2,929	2,929	0
<i>Fund Balance End of Year</i>	<u>\$10,306</u>	<u>\$8,785</u>	<u>\$67,039</u>	<u>\$58,254</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$170,000	\$170,000	\$176,420	\$6,420
Interest	15,000	15,000	34,029	19,029
<i>Total Revenues</i>	185,000	185,000	210,449	25,449
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	185,000	185,000	210,449	25,449
Other Financing Uses				
Transfers Out	(137,455)	(141,451)	(141,451)	0
<i>Net Change in Fund Balance</i>	47,545	43,549	68,998	25,449
<i>Fund Balance Beginning of Year</i>	532,515	532,515	532,515	0
<i>Fund Balance End of Year</i>	<u>\$580,060</u>	<u>\$576,064</u>	<u>\$601,513</u>	<u>\$25,449</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Housing Rehabilitation Program Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$0	\$103,435	\$103,435	\$0
Expenditures				
Current:				
General Government:				
Housing Rehabilitation				
Capital Outlay	100,144	203,579	82,808	120,771
HUD Housing Rehabilitation				
Capital Outlay	0	10,000	1,894	8,106
<i>Total Expenditures</i>	100,144	213,579	84,702	128,877
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,144)	(110,144)	18,733	128,877
Other Financing Sources				
Transfers In	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	(90,144)	(100,144)	28,733	128,877
<i>Fund Balance Beginning of Year</i>	99,244	99,244	99,244	0
Prior Year Encumbrances Appropriated	900	900	900	0
<i>Fund Balance End of Year</i>	\$10,000	\$0	\$128,877	\$128,877

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$80,217	\$80,217	\$83,645	\$3,428
Intergovernmental	17,140	17,140	12,927	(4,213)
<i>Total Revenues</i>	97,357	97,357	96,572	(785)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	496,950	496,950	445,913	51,037
<i>Excess of Revenues Under Expenditures</i>	(399,593)	(399,593)	(349,341)	50,252
Other Financing Sources				
Transfers In	439,580	489,580	489,580	0
<i>Net Change in Fund Balance</i>	39,987	89,987	140,239	50,252
<i>Fund Balance Beginning of Year</i>	50,662	50,662	50,662	0
<i>Fund Balance End of Year</i>	<u>\$90,649</u>	<u>\$140,649</u>	<u>\$190,901</u>	<u>\$50,252</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$80,217	\$80,217	\$83,645	\$3,428
Intergovernmental	17,140	17,140	12,926	(4,214)
<i>Total Revenues</i>	97,357	97,357	96,571	(786)
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	469,840	490,500	476,781	13,719
<i>Excess of Revenues Under Expenditures</i>	(372,483)	(393,143)	(380,210)	12,933
Other Financing Sources				
Transfers In	414,555	524,555	524,555	0
<i>Net Change in Fund Balance</i>	42,072	131,412	144,345	12,933
<i>Fund Balance Beginning of Year</i>	22,857	22,857	22,857	0
<i>Fund Balance End of Year</i>	\$64,929	\$154,269	\$167,202	\$12,933

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$1,500	\$1,500	\$1,939	\$439
Other	50	50	25	(25)
<i>Total Revenues</i>	1,550	1,550	1,964	414
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery Trust:				
Other	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(450)	(450)	1,964	2,414
<i>Fund Balance Beginning of Year</i>	39,563	39,563	39,563	0
<i>Fund Balance End of Year</i>	<u>\$39,113</u>	<u>\$39,113</u>	<u>\$41,527</u>	<u>\$2,414</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$832,950	\$782,950	\$769,619	(\$13,331)
Interest	8,000	8,000	35,145	27,145
<i>Total Revenues</i>	<u>840,950</u>	<u>790,950</u>	<u>804,764</u>	<u>13,814</u>
Expenditures				
Debt Service:				
Principal Retirement	463,190	522,789	522,789	0
Interest and Fiscal Charges	599,445	528,804	528,804	0
<i>Total Expenditures</i>	<u>1,062,635</u>	<u>1,051,593</u>	<u>1,051,593</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(221,685)	(260,643)	(246,829)	13,814
Other Financing Sources				
Transfers In	221,685	141,451	141,451	0
<i>Net Change in Fund Balance</i>	0	(119,192)	(105,378)	13,814
<i>Fund Balance Beginning of Year</i>	<u>334,663</u>	<u>334,663</u>	<u>334,663</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$334,663</u>	<u>\$215,471</u>	<u>\$229,285</u>	<u>\$13,814</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$100,000	\$103,351	\$103,352	\$1
Interest	8,000	8,000	13,498	5,498
<i>Total Revenues</i>	<u>108,000</u>	<u>111,351</u>	<u>116,850</u>	<u>5,499</u>
Expenditures				
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	34,930	34,930	34,930	0
<i>Total Expenditures</i>	<u>104,930</u>	<u>104,930</u>	<u>104,930</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,070	6,421	11,920	5,499
<i>Fund Balance Beginning of Year</i>	<u>202,029</u>	<u>202,029</u>	<u>202,029</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$205,099</u></u>	<u><u>\$208,450</u></u>	<u><u>\$213,949</u></u>	<u><u>\$5,499</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$134,000	\$134,000	\$143,469	\$9,469
Interest	6,000	13,000	24,333	11,333
<i>Total Revenues</i>	140,000	147,000	167,802	20,802
Expenditures				
Capital Outlay	153,280	153,280	93,161	60,119
<i>Net Change in Fund Balance</i>	(13,280)	(6,280)	74,641	80,921
<i>Fund Balance Beginning of Year</i>	298,985	298,985	298,985	0
Prior Year Encumbrances Appropriated	3,280	3,280	3,280	0
<i>Fund Balance End of Year</i>	<u>\$288,985</u>	<u>\$295,985</u>	<u>\$376,906</u>	<u>\$80,921</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Pool Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>811,970</u>	<u>844,720</u>	<u>843,721</u>	<u>999</u>
<i>Excess of Revenues Under Expenditures</i>	(811,970)	(844,720)	(843,721)	999
Other Financing Sources				
Transfers In	<u>0</u>	<u>28,224</u>	<u>27,225</u>	<u>(999)</u>
<i>Net Change in Fund Balance</i>	(811,970)	(816,496)	(816,496)	0
<i>Fund Balance Beginning of Year</i>	29,526	29,526	29,526	0
Prior Year Encumbrances Appropriated	<u>786,970</u>	<u>786,970</u>	<u>786,970</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,526</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$331,278	\$314,052	\$264,260	(\$49,792)
Interest	20,000	0	44,250	44,250
Other	0	350,000	350,000	0
<i>Total Revenues</i>	351,278	664,052	658,510	(5,542)
Expenditures				
Capital Outlay	744,379	1,258,379	1,174,548	83,831
<i>Excess of Revenues Under Expenditures</i>	(393,101)	(594,327)	(516,038)	78,289
Other Financing Sources				
Transfers In	455,000	455,000	455,000	0
<i>Net Change in Fund Balance</i>	61,899	(139,327)	(61,038)	78,289
<i>Fund Balance Beginning of Year</i>	563,106	563,106	563,106	0
Prior Year Encumbrances Appropriated	219,379	219,379	219,379	0
<i>Fund Balance End of Year</i>	<u>\$844,384</u>	<u>\$643,158</u>	<u>\$721,447</u>	<u>\$78,289</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, 2007

	<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	\$2,428,250	\$2,428,250	\$2,192,843	(\$235,407)
Interest	7,000	23,500	26,875	3,375
<i>Total Revenues</i>	<u>2,435,250</u>	<u>2,451,750</u>	<u>2,219,718</u>	<u>(232,032)</u>
Expenses				
Contractual Services	370,000	370,000	346,214	23,786
Claims	2,045,000	2,045,000	1,873,504	171,496
<i>Total Expenses</i>	<u>2,415,000</u>	<u>2,415,000</u>	<u>2,219,718</u>	<u>195,282</u>
<i>Net Change in Fund Equity</i>	20,250	36,750	0	(36,750)
<i>Fund Equity Beginning of Year</i>	<u>462,843</u>	<u>462,843</u>	<u>462,843</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$483,093</u>	<u>\$499,593</u>	<u>\$462,843</u>	<u>(\$36,750)</u>



City of BEDFORD, Ohio

STATISTICAL

SECTION





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 – S13</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>S14 – S21</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>S22 – S28</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>S29 – S31</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>S32 – S47</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 Asssets By Component
Last Six Years
(Accrual Basis of Accounting)

	2007	2006	2005
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$27,216,162	\$27,242,739	\$29,561,437
Restricted:			
Capital Projects	974,982	1,171,756	1,356,429
Debt Service	1,181,876	1,321,616	1,143,792
Fire	134,774	522,030	423,999
Streets	1,493,516	1,162,070	1,294,088
Other Purposes	2,524,936	1,746,159	701,410
Unrestricted	11,350,256	11,720,851	10,220,472
<i>Total Governmental Activities</i> <i>Net Assets</i>	44,876,502	44,887,221	44,701,627
Business Type - Activities			
Invested in Capital Assets, Net of Related Debt	4,527,360	3,285,261	2,842,724
Restricted:			
Renewal and Replacement	0	0	0
Unrestricted	3,766,979	4,145,274	4,335,387
<i>Total Business-Type Activities</i> <i>Net Assets</i>	8,294,339	7,430,535	7,178,111
Primary Government			
Invested in Capital Assets, Net of Related Debt	31,743,522	30,528,000	32,404,161
Restricted	6,310,084	5,923,631	4,919,718
Unrestricted	15,117,235	15,866,125	14,555,859
<i>Total Primary Government</i> <i>Net Assets</i>	\$53,170,841	\$52,317,756	\$51,879,738

2004	2003	2002
\$29,950,309	\$30,244,755	\$27,844,368
1,719,410	3,057,559	4,707,736
1,247,181	1,176,626	1,366,567
362,312	97,233	32,999
1,371,972	1,183,863	1,143,523
1,317,826	1,270,059	1,331,643
8,236,154	9,350,789	10,243,418
44,205,164	46,380,884	46,670,254
2,638,318	1,356,691	1,185,779
0	0	1,196,296
3,961,305	4,260,063	2,369,303
6,599,623	5,616,754	4,751,378
32,588,627	31,601,446	29,030,147
6,018,701	6,785,340	9,778,764
12,197,459	13,610,852	12,612,721
\$50,804,787	\$51,997,638	\$51,421,632

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

	2007	2006	2005
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$2,205,689	\$1,797,782	\$1,687,566
Security of Persons and Property:			
Police	53,907	57,998	56,734
Fire	257,282	160,839	293,200
Public Health and Welfare	40,510	43,580	43,443
Leisure Time Activities	96,845	87,771	95,355
Community Development	278,011	151,920	136,304
Basic Utility Services	291,969	292,023	229,705
Subtotal - Charges for Services	<u>3,224,213</u>	<u>2,591,913</u>	<u>2,542,307</u>
Operating Grants and Contributions:			
General Government	427,621	0	0
Security of Persons and Property:			
Police	362,556	283,602	140,902
Fire	25,100	8,413	3,724
Public Health and Welfare	14,102	10,680	15,066
Leisure Time Activities	0	12,370	27,865
Community Development	114,687	167,843	373,911
Basic Utility Services	0	274	6,008
Transportation	661,345	667,025	626,063
Subtotal - Operating Grants and Contributions	<u>1,605,411</u>	<u>1,150,207</u>	<u>1,193,539</u>
Capital Grants and Contributions:			
Community Development	0	0	0
Transportation	307,611	431,974	425,995
Basic Utility Services	0	0	0
Subtotal - Capital Grants and Contributions	<u>307,611</u>	<u>431,974</u>	<u>425,995</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,137,235</u>	<u>4,174,094</u>	<u>4,161,841</u>
Business-Type Activities:			
Charges for Services:			
Water	3,521,515	3,237,446	3,395,893
Wastewater	2,058,390	1,943,800	2,154,552
Capital Grants and Contributions			
Water	331,940	0	0
Wastewater	222,469	32,508	8,646
<i>Total Business-Type Activities Program Revenues</i>	<u>6,134,314</u>	<u>5,213,754</u>	<u>5,559,091</u>
<i>Total Primary Government Program Revenues</i>	<u>\$11,271,549</u>	<u>\$9,387,848</u>	<u>\$9,720,932</u>

2004	2003	2002
\$1,935,330	\$1,649,919	\$1,336,960
35,648	48,104	18,465
106,118	212,339	162,956
66,437	49,584	36,818
75,441	90,675	93,993
18,569	114,584	139,293
394,613	270,348	259,105
<u>2,632,156</u>	<u>2,435,553</u>	<u>2,047,590</u>
2,245	533,316	0
166,920	160,110	122,208
97,744	75,022	1,440
19,818	12,812	24,404
2,065	5,044	3,600
257,363	154,524	0
4,148	16,390	12,500
555,554	612,340	428,560
<u>1,105,857</u>	<u>1,569,558</u>	<u>592,712</u>
0	0	238,144
383,865	630	350,054
0	0	84,928
<u>383,865</u>	<u>630</u>	<u>673,126</u>
<u>4,121,878</u>	<u>4,005,741</u>	<u>3,313,428</u>
3,199,611	3,028,854	3,257,031
2,073,569	2,077,765	2,170,295
0	0	0
<u>714,635</u>	<u>140,141</u>	<u>345,871</u>
<u>5,987,815</u>	<u>5,246,760</u>	<u>5,773,197</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 Six Years
(Accrual Basis of Accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses			
Governmental Activities:			
General Government	\$5,106,413	\$4,871,530	\$4,513,961
Security of Persons and Property:			
Police	5,452,247	4,847,966	4,696,595
Fire	3,620,839	3,338,007	3,264,023
Public Health and Welfare	193,518	164,391	165,278
Leisure Time Activities	1,609,539	1,615,332	1,515,957
Community Development	633,811	1,042,659	711,271
Basic Utility Services	888,600	850,077	746,633
Transportation	4,221,135	4,727,888	4,815,778
Interest and Fiscal Charges	615,603	469,373	610,370
<i>Total Governmental Activities Expenses</i>	<u>22,341,705</u>	<u>21,927,223</u>	<u>21,039,866</u>
Business-Type Activities			
Water	3,472,856	3,155,757	3,277,619
Wastewater	2,347,908	2,326,613	2,249,871
<i>Total Business-Type Activities Expenses</i>	<u>5,820,764</u>	<u>5,482,370</u>	<u>5,527,490</u>
<i>Total Primary Government Program Expenses</i>	<u>28,162,469</u>	<u>27,409,593</u>	<u>26,567,356</u>
Net (Expense)/Revenue			
Governmental Activities	(17,204,470)	(17,753,129)	(16,878,025)
Business-Type Activities	313,550	(268,616)	31,601
<i>Total Primary Government Net Expense</i>	<u><u>(\$16,890,920)</u></u>	<u><u>(\$18,021,745)</u></u>	<u><u>(\$16,846,424)</u></u>

2004	2003	2002
\$4,843,345	\$4,516,277	\$4,060,361
4,719,423	4,099,951	3,849,577
3,391,320	3,026,454	2,880,439
209,642	243,755	45,199
1,394,766	1,249,546	1,311,478
976,913	613,461	1,019,191
763,373	915,928	3,954,442
4,263,114	3,786,962	787,321
605,446	720,371	364,581
<u>21,167,342</u>	<u>19,172,705</u>	<u>18,272,589</u>
3,171,606	3,105,244	3,396,720
<u>2,278,779</u>	<u>1,704,107</u>	<u>2,423,832</u>
<u>5,450,385</u>	<u>4,809,351</u>	<u>5,820,552</u>
<u>26,617,727</u>	<u>23,982,056</u>	<u>24,093,141</u>
(17,045,464)	(15,166,964)	(14,959,161)
<u>537,430</u>	<u>437,409</u>	<u>(47,355)</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 Six Years
(Accrual Basis of Accounting)

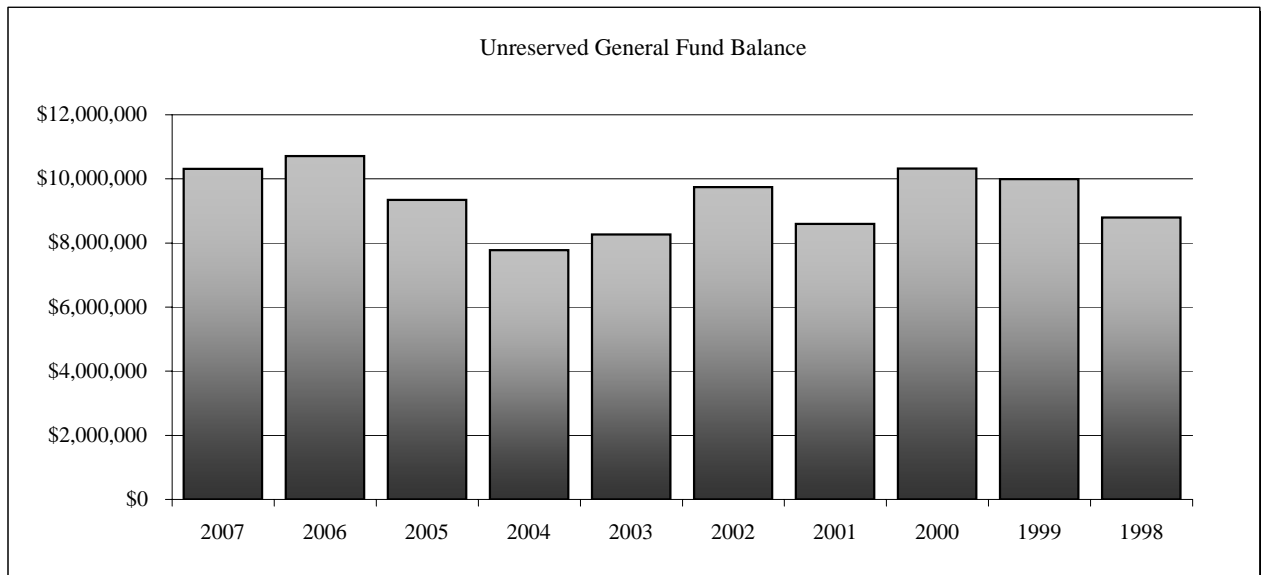
	2007	2006	2005
General Revenues and Other			
Changes in Net Assets			
Governmental Activities			
Taxes:			
Property and Taxes Levied For:			
General Purposes	\$2,648,487	\$2,435,575	\$2,548,372
Fire Medic Levy	788,498	n/a	n/a
Fire Pension	84,484	n/a	n/a
Police Pension	84,484	n/a	n/a
Other Purposes (1)		880,516	885,180
Municipal Income Taxes levied for:			
General Purposes	9,852,161	10,834,317	10,625,798
Debt Service	769,619	870,902	653,673
Capital Outlay	0	0	0
Grants and Entitlements not Restricted to			
Specific Programs	1,735,202	1,940,740	1,925,920
Investment Income	750,070	648,078	255,900
Gain on Sale of Capital Assets	38,742	27,503	80,398
Miscellaneous	442,004	301,092	399,247
<i>Total Governmental Activities</i>	<u>17,193,751</u>	<u>17,938,723</u>	<u>17,374,488</u>
Business-Type Activities			
Municipal Income Taxes levied for:			
Other Purpose - Wastewater	329,833	373,551	435,782
Investment Income	189,673	140,178	87,679
Gain on Sale of Capital Assets	0	3,903	0
Miscellaneous	30,748	3,408	23,426
<i>Total Business-Type Activities</i>	<u>550,254</u>	<u>521,040</u>	<u>546,887</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,744,005</u>	<u>18,459,763</u>	<u>17,921,375</u>
Change in Net Assets			
Governmental Activities	(10,719)	185,594	496,463
Business-Type Activities	863,804	252,424	578,488
<i>Total Primary Government Change in Net Assets</i>	<u>\$853,085</u>	<u>\$438,018</u>	<u>\$1,074,951</u>

(1) 2007 was the first year other purposes was further classified.

2004	2003	2002
\$2,499,866	\$2,306,655	\$2,379,963
n/a	n/a	n/a
n/a	n/a	n/a
n/a	n/a	n/a
903,784	820,713	848,405
8,661,875	8,749,253	9,420,817
0	0	0
588,120	566,714	802,473
1,743,683	1,310,787	1,697,045
150,677	202,952	455,414
1,900	632,343	3,000
319,839	288,177	227,074
<u>14,869,744</u>	<u>14,877,594</u>	<u>15,834,191</u>
392,079	377,810	0
47,286	43,442	78,400
0	2,834	0
6,074	3,881	0
<u>445,439</u>	<u>427,967</u>	<u>78,400</u>
<u>15,315,183</u>	<u>15,305,561</u>	<u>15,912,591</u>
(2,175,720)	(289,370)	875,030
<u>982,869</u>	<u>865,376</u>	<u>31,045</u>
<u>(\$1,192,851)</u>	<u>\$576,006</u>	<u>\$906,075</u>

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

	2007	2006	2005	2004
General Fund				
Reserved	\$78,845	\$123,858	\$125,743	\$183,862
Unreserved	10,313,325	10,708,438	9,341,622	7,780,251
Total General Fund	<u>10,392,170</u>	<u>10,832,296</u>	<u>9,467,365</u>	<u>7,964,113</u>
All Other Governmental Funds				
Reserved	836,062	1,713,841	1,070,584	1,118,261
Unreserved, Undesignated, Reported in:				
Special Revenue funds	3,398,068	2,536,991	1,706,315	1,982,268
Debt Service funds	443,234	536,692	238,235	240,837
Capital Projects funds	823,158	915,568	908,542	1,445,177
Total All Other Governmental Funds	<u>5,500,522</u>	<u>5,703,092</u>	<u>3,923,676</u>	<u>4,786,543</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>	<u><u>\$12,750,656</u></u>

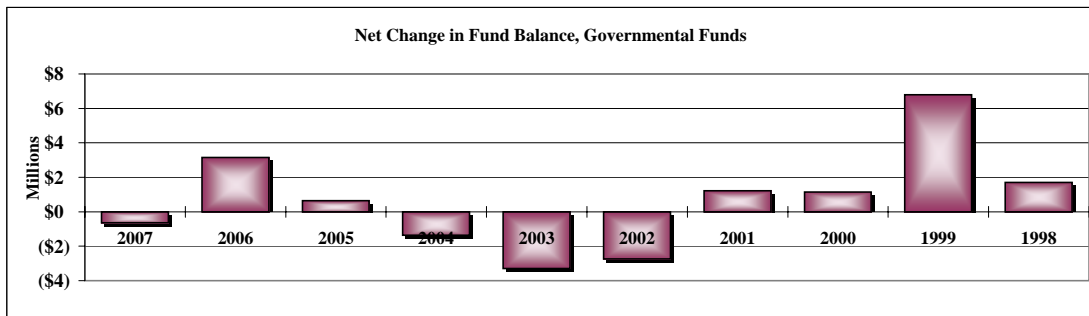


2003	2002	2001	2000	1999	1998
\$93,979	\$111,332	\$311,581	\$121,578	\$126,961	\$155,188
8,266,852	9,742,716	8,598,221	10,323,310	9,996,436	8,796,540
8,360,831	9,854,048	8,909,802	10,444,888	10,123,397	8,951,728
1,671,140	3,501,721	10,728,155	2,165,397	532,040	417,776
1,851,040	1,939,063	1,854,500	1,506,578	1,334,808	808,069
301,642	330,600	424,372	375,887	348,721	421,603
1,931,071	1,778,295	(1,785,344)	4,411,400	5,426,364	366,878
5,754,893	7,549,679	11,221,683	8,459,262	7,641,933	2,014,326
\$14,115,724	\$17,403,727	\$20,131,485	\$18,904,150	\$17,765,330	\$10,966,054

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

	2007	2006	2005	2004	2003
Revenues					
Property Taxes	\$3,570,124	\$3,333,834	\$3,540,788	\$3,349,741	\$3,052,678
Municipal Income Taxes	10,648,355	11,769,832	10,833,996	9,472,207	9,084,589
Charges for Services	699,046	592,280	694,247	652,848	652,253
Fees, Licenses and Permits	292,484	186,128	147,565	118,615	126,644
Fines and Forfeitures	1,768,546	1,512,922	1,470,857	1,463,728	1,422,916
Intergovernmental	3,535,460	3,556,398	3,503,173	3,306,031	2,692,894
Special Assessments	498,755	399,087	416,712	366,902	350,470
Contributions and Donations	45,100	0	0	0	0
Interest	723,195	634,911	254,732	148,847	199,101
Rentals	20,010	8,563	0	0	0
Other	442,004	301,092	393,507	322,239	289,472
Total Revenues	22,243,079	22,295,047	21,255,577	19,201,158	17,871,017
Expenditures					
Current:					
General Government	4,619,198	4,533,556	4,151,780	4,143,464	4,203,294
Security of Persons and Property:					
Police	5,347,238	4,820,692	4,558,302	4,551,955	4,427,282
Fire	3,833,850	3,241,431	3,297,888	3,206,450	2,552,163
Public Health and Welfare	189,816	165,494	165,551	211,537	246,935
Leisure Time Activities	1,459,829	1,572,900	1,460,622	1,297,764	1,239,885
Community Development	1,034,540	1,043,168	1,876,405	970,143	1,117,917
Basic Utilities Services	879,667	839,357	735,683	752,653	856,764
Transportation	2,524,594	2,282,383	2,280,367	2,196,645	2,054,180
Capital Outlay	1,865,496	1,008,659	1,007,907	2,097,823	4,009,134
Debt Service:					
Principal Retirement	599,739	519,787	513,968	554,109	489,052
Interest and Fiscal Charges	572,980	401,043	584,173	597,783	733,594
Bond Issuance Costs	0	185,268	0	0	47,999
Total Expenditures	22,926,947	20,613,738	20,632,646	20,580,326	21,978,199
Excess of Revenues Over (Under) Expenditures	(683,868)	1,681,309	622,931	(1,379,168)	(4,107,182)
Other Financing Sources (Uses)					
Sale of Capital Assets	41,172	29,703	80,804	59,100	819,179
Proceeds from Hospital	0	0	0	0	0
Manuscript Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	0	8,929,000	0	0	0
Premium on Bonds Issued	0	60,111	0	0	0
Discount on Bonds Issued	0	(54,376)	0	0	0
Payment to Refunded Bond Escrow Agent	0	(7,501,400)	0	0	0
Inception of Capital Lease	0	0	16,650	0	0
Transfers In	5,874,801	4,847,314	4,551,897	6,810,084	6,627,043
Transfers Out	(5,874,801)	(4,847,314)	(4,631,897)	(6,855,084)	(6,627,043)
Total Other Financing Sources (Uses)	41,172	1,463,038	17,454	14,100	819,179
Net Change in Fund Balances	(\$642,696)	\$3,144,347	\$640,385	(\$1,365,068)	(\$3,288,003)

Debt Service as a Percentage of Noncapital Expenditures 5.8% 5.7% 5.9% 6.6% 7.6%



2002	2001	2000	1999	1998
\$3,220,330	\$5,414,988	\$4,896,615	\$5,048,953	\$4,467,966
10,124,623	8,936,404	9,098,951	7,760,303	7,993,477
574,762	470,216	450,995	443,085	432,307
138,713	119,478	127,469	137,676	89,822
1,043,171	1,159,891	818,085	1,058,403	971,021
3,087,774	2,476,698	1,192,488	992,445	1,021,359
374,681	423,688	357,317	635,299	368,230
0	0	0	0	0
449,195	1,099,035	1,094,591	696,567	573,467
0	0	0	0	0
227,074	491,427	235,550	178,568	164,525
<u>19,240,323</u>	<u>20,591,825</u>	<u>18,272,061</u>	<u>16,951,299</u>	<u>16,082,174</u>
3,588,172	3,526,175	3,478,323	3,290,867	2,968,997
3,841,773	3,883,783	3,811,647	3,306,215	3,366,810
2,889,019	2,053,176	2,013,174	1,929,366	1,786,583
217,804	232,125	195,743	189,367	163,662
1,277,894	1,010,467	1,072,776	1,003,178	951,743
1,072,361	615,877	403,115	279,060	269,188
729,050	761,940	258,135	271,079	270,861
1,915,424	1,719,426	1,730,093	1,750,178	1,524,296
12,652,137	4,800,947	3,308,034	2,728,905	2,145,683
443,108	328,189	192,260	372,260	357,260
319,422	529,909	382,241	89,393	99,961
224,917	0	0	0	0
<u>29,171,081</u>	<u>19,462,014</u>	<u>16,845,541</u>	<u>15,209,868</u>	<u>13,905,044</u>
<u>(9,930,758)</u>	<u>1,129,811</u>	<u>1,426,520</u>	<u>1,741,431</u>	<u>2,177,130</u>
3,000	0	21,296	0	0
0	87,500	0	26,765	0
0	0	200,000	0	0
7,200,000	0	0	5,000,000	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	499,303	0
5,364,594	7,201,348	6,052,255	4,511,602	3,233,322
<u>(5,364,594)</u>	<u>(7,191,324)</u>	<u>(6,561,251)</u>	<u>(4,979,825)</u>	<u>(3,705,355)</u>
<u>7,203,000</u>	<u>97,524</u>	<u>(287,700)</u>	<u>5,057,845</u>	<u>(472,033)</u>
<u>(\$2,727,758)</u>	<u>\$1,227,335</u>	<u>\$1,138,820</u>	<u>\$6,799,276</u>	<u>\$1,705,097</u>
6.4%	6.2%	4.4%	3.8%	4.0%

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
2007	\$171,872,930	\$101,454,280	\$780,934,886	\$8,318,020	\$9,452,295
2006	152,499,920	89,128,130	690,365,857	8,552,600	9,718,864
2005	152,594,310	87,156,280	685,001,686	9,323,120	10,594,455
2004	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2003	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818
2002	137,816,380	81,783,120	627,427,143	10,282,780	11,684,977
2001	137,814,680	82,927,810	630,692,829	11,224,870	12,755,534
2000	120,510,280	73,536,000	554,417,943	12,821,650	14,570,057
1999	120,230,080	74,290,830	555,774,029	12,856,640	14,609,818
1998	120,066,310	72,248,380	549,470,543	13,137,450	14,928,920

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

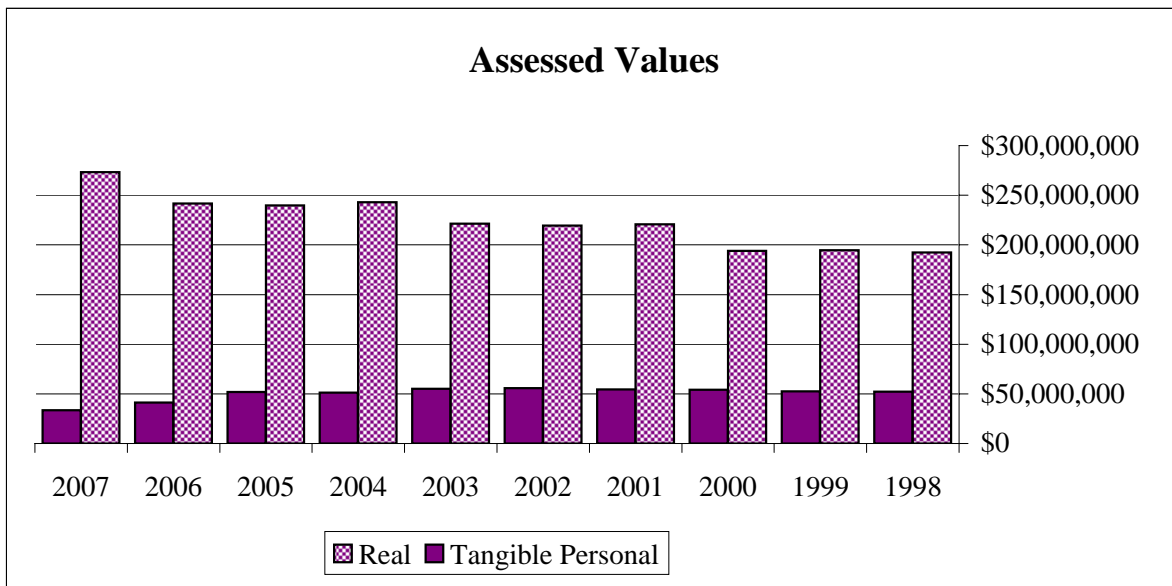
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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		
\$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	12.80
41,641,465	181,049,848	294,249,915	886,322,708	33.20	12.80
45,552,210	189,800,875	276,354,300	832,745,122	33.19	12.80
45,366,712	189,027,967	275,248,992	828,140,087	33.24	12.80
43,255,357	173,021,428	275,222,717	816,469,791	33.71	12.80
41,445,946	165,783,784	248,313,876	734,771,784	33.79	12.80
39,817,596	159,270,384	247,195,146	729,654,231	33.88	12.80
38,919,537	155,678,148	244,371,677	720,077,611	33.94	12.80



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

	2007	2006	2005	2004
Unvoted Millage				
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
Voted Millage - by levy				
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000
<i>Total Voted Millage</i>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>
Total Millage	<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	\$31.0146	\$31.0133	\$33.9158	\$33.8874
Commerical/Industrial and Public Utility Real	42.9154	43.1055	44.6558	44.6073
General Business and Public Utility Personal	67.6000	67.6000	67.4000	67.4000
Cuyahoga County				
Residential/Agricultural Real	11.8689	11.8655	11.7227	10.9754
Commerical/Industrial and Public Utility Real	12.4536	12.4941	12.5762	11.9846
General Business and Public Utility Personal	13.4200	13.4200	13.5200	13.5200
Special Taxing Districts (1)				
Residential/Agricultural Real	5.9676	5.9669	6.2900	6.2880
Commerical/Industrial and Public Utility Real	6.2518	6.2727	6.5552	6.5067
General Business and Public Utility Personal	6.7800	6.7800	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

2003	2002	2001	2000	1999	1998
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
8.9200	8.9200	8.9200	8.9200	8.9200	8.9200
\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$28.9913	\$31.2275	\$31.2314	\$31.3060	\$35.1397	\$30.2561
39.4438	39.9366	39.9540	39.9684	43.7005	38.7054
62.5000	62.5000	62.5000	62.5000	62.6000	57.7000

10.9899	12.4609	11.3815	11.3967	11.4114	11.4230
12.0433	12.8764	12.0023	11.9298	12.3736	12.4065
13.5200	14.6500	14.6500	14.6500	13.7500	13.7500

4.7783	2.5323	2.5354	2.5422	2.8242	2.5610
5.1811	2.5497	2.5320	2.5253	2.8923	2.7580
5.8800	2.9500	2.9500	2.9500	2.9500	2.9500

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
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
2000	2,634,161	2,559,951	97.18	73,816	2,633,767
1999	2,643,590	2,547,540	96.37	61,049	2,608,589
1998	2,618,889	2,531,929	96.68	44,305	2,576,234

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
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
99.99	106,576	4.05
98.68	95,378	3.61
98.37	136,358	5.21

City of Bedford, Ohio
Principal Real Property Taxpayers
2007 and 1998

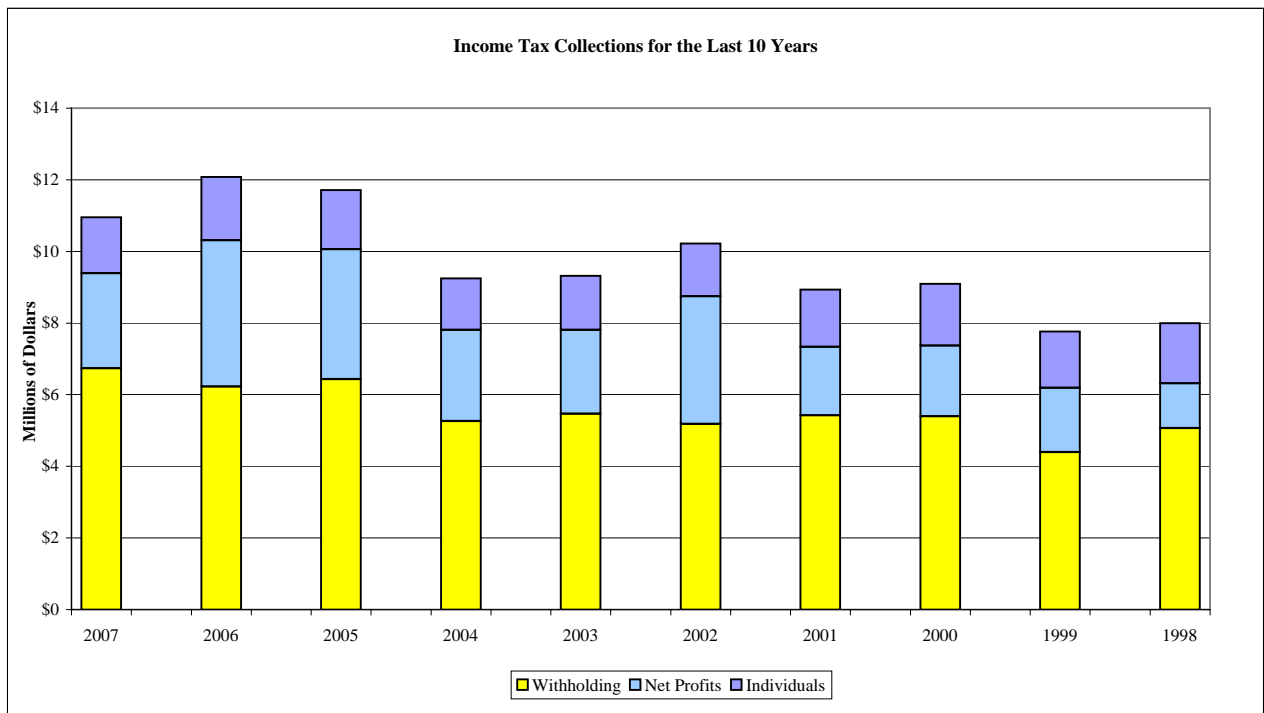
<i>2007</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Bear Creek Property Company	\$7,175,520	2.63 %
Cleveland Electric Illuminating Company	4,893,690	1.79
Bedford Colony Club Apartments	4,740,330	1.73
Ben Venue	4,571,110	1.67
Brandybrook LLC	3,199,670	1.17
Aspen Woodside Village LLC	3,164,040	1.16
HIN, LLC	2,800,010	1.02
University Hospitals Health Systems	2,782,090	1.02
Ohio Bell Telephone Company	2,201,650	0.81
Nextgen Group	1,915,240	0.70
Total	\$37,443,350	13.70 %
Total Assessed Valuation	\$273,327,210	
<i>1998</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Meadowbrook Development Corporation	\$9,636,520	5.01 %
Cleveland Electric Illuminating Company	6,938,200	3.61
Ohio Bell Telephone Company	4,468,180	2.32
Bedford Colony Club Apartments	3,758,440	1.95
ARV Assisted Living, Incorporated	3,097,500	1.62
Boehringer Ingelheim Corporation (Ben Venue)	2,840,530	1.48
Pick-N-Pay Supermarkets, Incorporated	2,526,720	1.31
L.G.S Properties/Lee Seidman	1,604,680	0.83
Bedford Green	1,477,840	0.77
East Ohio Gas Company	1,363,000	0.71
Total	\$37,711,610	19.61 %
Total Assessed Valuation	\$192,314,690	

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
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	14.47
2001	2.25	8,936,404	5,424,327	60.70	1,908,505	21.36	1,603,572	17.94
2000	2.25	9,098,951	5,400,054	59.35	1,967,918	21.63	1,730,979	19.02
1999	2.00	7,760,303	4,398,963	56.69	1,793,285	23.11	1,568,055	20.21
1998	2.00	7,993,477	5,069,341	63.42	1,244,380	15.57	1,679,756	21.01

- (1) 2002 through 2007 are on an Accrual Basis and 1998 through 2001 are on a Modified Accrual Basis
- (2) Effective January 1, 2000 City of Bedford Electors voted to increase the City income tax by .25% to generate proceeds to be used for the construction of the new Municipal Complex which includes a new Municipal Court.
- (3) The City is statutorily prohibited from presenting individual taxpayer information.



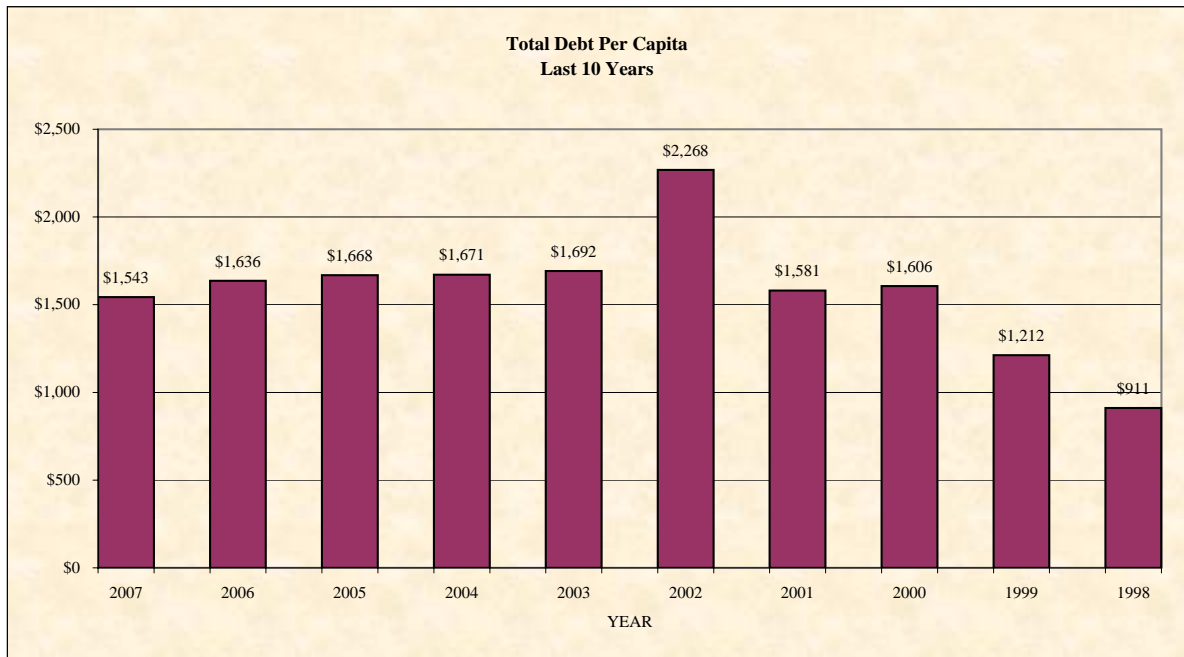
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	Bond Anticipation Notes	
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
2000	5,095,000	980,000	819,089	309,684	221,385	5,000,000	680,000
1999	5,000,000	1,045,000	322,770	388,078	224,182	0	705,000
1998	290,000	1,105,000	345,030	158	226,865	0	730,000

Note: Population and Personal Income data are presented on page S30.

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	\$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
190,000	1,215,000	8,264,574	58,287	0	22,833,019	8.00	1,606
225,000	1,280,000	8,713,577	62,450	0	17,966,057	8.12	1,212
255,000	1,340,000	9,141,780	66,613	0	13,500,446	6.10	911



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
2007	14,214	b	\$992,180,325	\$11,363,218	1.15%	\$799.44
2006	14,214	b	874,106,513	11,816,833	1.35	831.35
2005	14,214	b	881,166,405	10,780,000	1.22	758.41
2004	14,214	b	886,322,708	11,165,000	1.26	785.49
2003	14,214	b	832,745,122	11,590,000	1.39	815.39
2002	14,214	b	828,140,087	11,855,000	1.43	834.04
2001	14,214	b	816,469,791	5,535,000	0.68	389.40
2000	14,214	b	734,771,784	5,775,000	0.79	406.29
1999	14,822	a	729,654,231	5,705,000	0.78	384.90
1998	14,822	a	720,077,611	1,020,000	0.14	68.82

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Cuyahoga County Auditor

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

City of Bedford, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2007

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
Direct - City of Bedford			
General Obligation Bonds	\$11,363,218	100.00%	\$11,363,218
Special Assessment Bonds	500,000	100.00%	500,000
OPWC Loans	481,766	100.00%	481,766
Capital Leases	9,263	100.00%	9,263
Police Pension	198,133	100.00%	198,133
<i>Total Direct Debt</i>	<u>12,552,380</u> *		<u>12,552,380</u>
Overlapping			
Bedford School District			
General Obligation Bonds	11,119,864	34.10%	3,791,874
Loans	452,000	34.10%	154,132
Capital Leases	562,207	34.10%	191,713
Cuyahoga County			
General Obligation Bonds	208,194,000	0.95%	1,977,843
Capital Leases	6,529,000	0.95%	62,026
Revenue Bonds	106,015,000	0.95%	1,007,143
Loans	5,475,000	0.95%	52,013
Greater Cleveland Regional Transit Authority			
	<u>136,440,196</u>	0.95%	<u>1,296,182</u>
<i>Total Overlapping Debt</i>	<u>474,787,267</u>		<u>8,532,924</u>
Total	<u><u>\$487,339,647</u></u>		<u><u>\$21,085,304</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.

* \$11,000,000 of the total \$11,363,218 of total outstanding general obligation debt is backed by two revenue sources.

\$8,700,420 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.

\$1,861,559 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$500,000 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 \$13,568,300 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio

Legal Debt Margin

Last Ten Years

	2007	2006	2005	2004
Population	14,214	14,214	14,214	14,214
Total Assessed Property Value	<u>\$306,869,373</u>	<u>\$282,809,736</u>	<u>\$291,754,871</u>	<u>\$294,249,915</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$14,200,000	\$14,379,928	\$12,925,000	\$13,490,000
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	500,000	570,000	635,000	750,000
Bond Anticipation Notes	0	0	1,200,000	0
OPWC Loans	1,381,184	1,323,876	615,614	667,965
OWDA Loans	<u>6,526,785</u>	<u>7,244,711</u>	<u>7,930,155</u>	<u>8,586,780</u>
Total Gross Indebtedness	22,607,969	23,518,515	23,305,769	23,494,745
Less:				
General Obligation Notes/Bonds	(4,206,000)	(4,351,000)	(7,040,000)	(7,355,000)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(500,000)	(570,000)	(635,000)	(750,000)
OPWC Loans	(899,418)	(793,921)	(37,470)	(41,632)
OWDA Loans	(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)
General Obligation Bond Retirement Fund Balance	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>
Total Net Debt Applicable to Debt Limit	<u>10,246,481</u>	<u>10,224,220</u>	<u>7,615,349</u>	<u>6,713,790</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>32,221,284</u>	<u>29,695,022</u>	<u>30,634,261</u>	<u>30,896,241</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$21,974,803</u>	<u>\$19,470,802</u>	<u>\$23,018,912</u>	<u>\$24,182,451</u>
Legal Debt Margin as a Percentage of the Debt Limit	68.20%	65.57%	75.14%	78.27%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$16,877,816</u>	<u>\$15,554,535</u>	<u>\$16,046,518</u>	<u>\$16,183,745</u>
Total Gross Indebtedness	22,607,969	23,518,515	23,305,769	23,494,745
Less:				
General Obligation Notes/Bonds	(4,206,000)	(4,351,000)	(7,040,000)	(7,355,000)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(500,000)	(570,000)	(635,000)	(750,000)
OPWC Loans	(899,418)	(793,921)	(37,470)	(41,632)
OWDA Loans	(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)
General Obligation Bond Retirement Fund Balance	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>
Net Debt Within 5 ½ % Limitations	<u>10,246,481</u>	<u>10,224,220</u>	<u>7,615,349</u>	<u>6,713,790</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,631,335</u>	<u>\$5,330,315</u>	<u>\$8,431,169</u>	<u>\$9,469,955</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	39.29%	34.27%	52.54%	58.52%

Source: City Financial Records

2003	2002	2001	2000	1999	1998
14,214	14,214	14,214	14,214	14,822	14,822
<u>\$276,354,300</u>	<u>\$275,248,992</u>	<u>\$275,222,717</u>	<u>\$248,313,876</u>	<u>\$247,195,146</u>	<u>\$244,371,677</u>
\$14,095,000	\$15,065,000	\$5,545,714	\$5,775,000	\$5,705,000	\$1,020,000
0	1,070,000	1,145,000	1,215,000	1,280,000	1,340,000
865,000	970,000	1,070,000	1,170,000	1,270,000	1,360,000
0	0	5,000,000	5,000,000	0	0
720,318	772,670	1,430,586	819,091	322,770	345,030
<u>9,211,698</u>	<u>8,769,032</u>	<u>7,847,883</u>	<u>8,322,859</u>	<u>8,776,027</u>	<u>9,208,392</u>
24,892,016	26,646,702	22,039,183	22,301,950	17,353,797	13,273,422
(2,505,000)	(3,210,000)	(9,730,000)	(9,895,000)	0	0
0	(1,070,000)	(1,145,000)	(1,215,000)	(1,280,000)	(1,340,000)
(865,000)	(970,000)	(1,070,000)	(1,170,000)	(1,270,000)	(1,360,000)
(45,796)	(49,959)	(770,900)	(877,376)	(385,220)	(411,643)
(9,211,698)	(8,769,032)	(7,847,883)	(8,264,574)	(8,713,577)	(9,141,780)
<u>(79,634)</u>	<u>(84,136)</u>	<u>(473,223)</u>	<u>(424,738)</u>	<u>(397,572)</u>	<u>(470,454)</u>
<u>12,184,888</u>	<u>12,493,575</u>	<u>1,002,177</u>	<u>455,262</u>	<u>5,307,428</u>	<u>549,545</u>
<u>29,017,202</u>	<u>28,901,144</u>	<u>28,898,385</u>	<u>26,072,957</u>	<u>25,955,490</u>	<u>25,659,026</u>
<u>\$16,832,314</u>	<u>\$16,407,569</u>	<u>\$27,896,208</u>	<u>\$25,617,695</u>	<u>\$20,648,062</u>	<u>\$25,109,481</u>
58.01%	56.77%	96.53%	98.25%	79.55%	97.86%
<u>\$15,199,487</u>	<u>\$15,138,695</u>	<u>\$15,137,249</u>	<u>\$13,657,263</u>	<u>\$13,595,733</u>	<u>\$13,440,442</u>
24,892,016	26,646,702	22,039,183	22,301,950	17,353,797	13,273,422
(2,505,000)	(3,210,000)	(9,730,000)	(9,895,000)	0	0
0	(1,070,000)	(1,145,000)	(1,215,000)	(1,280,000)	(1,340,000)
(865,000)	(970,000)	(1,070,000)	(1,170,000)	(1,270,000)	(1,360,000)
(45,796)	(49,959)	(770,900)	(877,376)	(385,220)	(411,643)
(9,211,698)	(8,769,032)	(7,847,883)	(8,264,574)	(8,713,577)	(9,141,780)
<u>(79,634)</u>	<u>(84,136)</u>	<u>(473,223)</u>	<u>(424,738)</u>	<u>(397,572)</u>	<u>(470,454)</u>
<u>12,184,888</u>	<u>12,493,575</u>	<u>1,002,177</u>	<u>455,262</u>	<u>5,307,428</u>	<u>549,545</u>
<u>\$3,014,599</u>	<u>\$2,645,120</u>	<u>\$14,135,072</u>	<u>\$13,202,001</u>	<u>\$8,288,305</u>	<u>\$12,890,897</u>
19.83%	17.47%	93.38%	96.67%	60.96%	95.91%

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

Year	Water Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2000	2,851,050	2,412,977	438,073	65,000	194,521	1.69
1999	2,787,451	2,457,104	330,347	60,000	196,259	1.29
1998	2,677,666	2,120,844	556,822	55,000	211,159	2.09

(1) The Water System Mortgage Revenue Bonds were issued in the year 1991 in the amount of \$1,650,000

(2) Direct operating expenses do not include depreciation and amortization expense.

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

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

2007		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories	1,138	7.72%
University Hospitals Health Systems	1,029	6.98
Labor Ready Mid-Atlantic	847	5.74
Bedford Board of Education	584	3.96
City of Bedford	361	2.45
Target	319	2.16
US Bank Leader Mortgage	271	1.84
Riser Foods Company	249	1.69
River Road Restaurants	172	1.17
Jay Pontiac	167	1.13
Total	5,137	34.84%
Total Employment within the City	14,744	

1998	
Employer	Employees
Bedford Board of Education	657
Bedford Medical Center	607
Ben Venue Laboratories	556
First National Supermarket	398
GTE Mobil Communications	366
City of Bedford	318
Ames Department Store	302
Soft Lite Mintz	249
Riser Foods	193
International Motor Cars	142
Total	3,788
Total City Employees	n/a

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

n/a - Information not available

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
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
2000	14,214	285,360,264	20,076	36,943	39
1999	14,822	221,366,570	14,935	30,082	36
1998	14,822	221,366,570	14,935	30,082	36

(1) Source: U. S. Census

(a) Years 2000 through 2007 - 2000 Federal Census

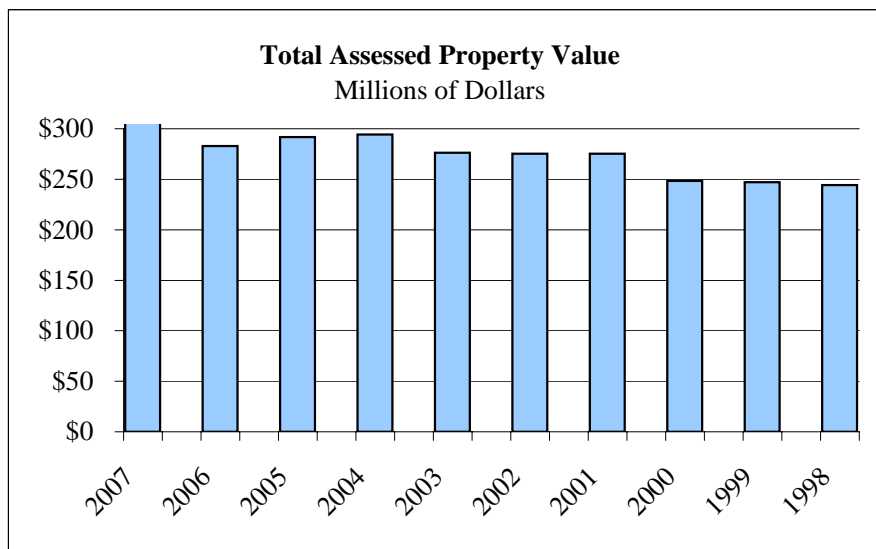
(b) Years 1998 through 1999 - 1990 Federal Census

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

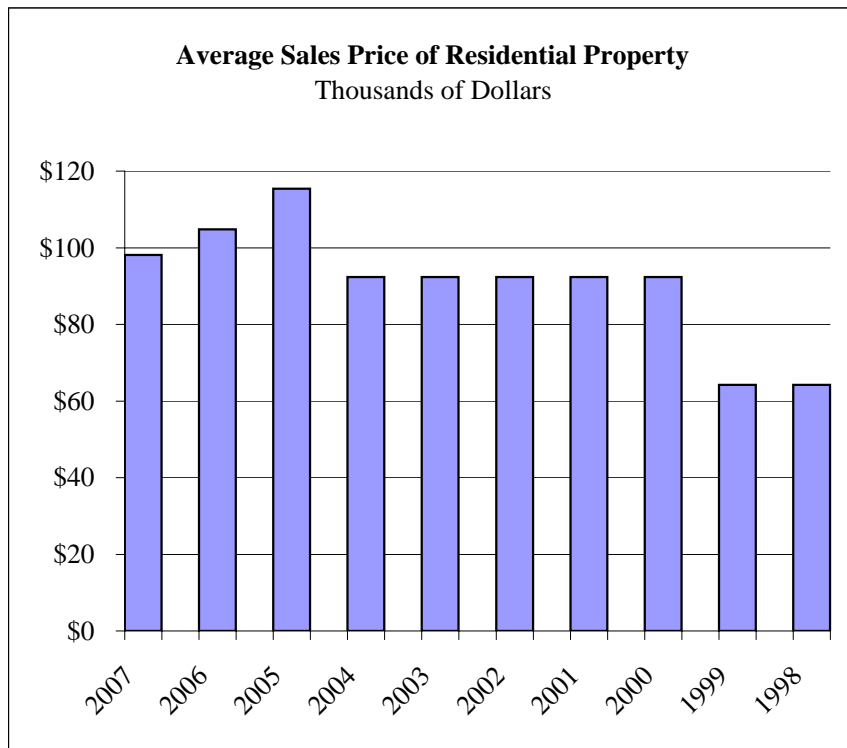
(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.2%	3,925	6.1%	\$98,124	\$306,869,373
18.2	3,908	6.6	104,772	282,809,736
18.2	3,680	6.6	115,395	291,754,871
18.2	3,912	6.6	92,400	294,249,915
18.2	3,637	6.2	92,400	276,354,300
18.2	3,720	6.6	92,400	275,248,992
18.2	3,842	4.6	92,400	275,222,717
18.2	3,866	4.5	92,400	248,313,876
11.5	3,883	4.5	64,200	247,195,146
11.5	3,869	4.5	64,200	244,371,677



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

Function/Program	2007	2006	2005
General Government			
Council	8.00	8.00	8.00
Finance	5.50	5.50	5.50
Tax	3.50	3.50	3.00
City Manager	1.00	1.00	1.00
Law	1.00	1.00	1.00
Administration	4.00	4.50	4.50
Engineer	0.50	0.50	0.50
Planning	1.50	1.50	1.50
Civil Service	2.50	2.00	2.00
Court	36.50	34.50	30.00
Public Building	5.00	5.00	5.00
Security of Persons and Property			
Police	33.00	33.00	32.00
Police - Auxiliary/Guards	16.50	17.50	12.50
Police - Dispatchers/Office/Other	15.00	10.00	12.50
Police - Jailers	2.50	3.00	2.00
Police - Animal Wardens	1.50	2.00	2.00
Fire	30.00	30.00	28.00
Fire - Secretary - Other	1.50	1.50	1.50
Public Health Services			
Cemetery	1.00	2.00	1.50
Leisure Time Activities			
Recreation	19.00	17.50	14.00
Municipal Pool	17.50	16.00	15.00
Ellenwood Center	5.50	5.00	6.50
Community Development			
Building	5.50	5.00	5.00
Economic Development	2.00	1.50	1.50
Transportation			
Service	20.00	20.50	24.50
Street M&R	6.50	6.50	4.50
Basic Utility Services			
Water	8.50	7.00	9.50
Wastewater	10.00	11.00	11.00
Totals:	<u>264.50</u>	<u>256.00</u>	<u>245.50</u>

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

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

2004	2003	2002
8.00	8.00	8.00
5.00	5.50	5.50
3.50	3.00	3.00
1.00	1.00	1.00
1.50	1.50	1.00
4.50	4.50	4.50
0.50	0.50	0.50
1.50	1.50	1.50
2.00	2.00	2.00
35.00	35.00	35.00
4.00	4.00	2.00
32.00	30.00	30.00
12.50	13.00	13.00
12.50	13.50	13.50
3.00	2.00	2.00
2.00	1.50	1.50
29.00	30.00	30.00
1.50	1.50	1.50
1.50	2.50	2.50
14.00	14.00	1.50
15.00	15.50	15.00
6.50	5.50	4.50
5.00	5.00	5.00
1.50	1.50	1.50
24.50	21.00	23.00
4.50	5.00	4.00
9.50	8.50	7.50
11.00	11.50	11.00
252.00	248.00	231.00

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

Function/Program	2007	2006	2005
General Government			
<i>Council & Clerk</i>			
Number of Ordinances Passed	133	90	117
Number of Resolutions Passed	9	9	20
<i>Finance Department</i>			
Number of checks/ vouchers issued	4,795	4,428	5,658
Amount of checks written	\$24,035,165	\$21,085,783	\$24,398,291
Interest earnings for fiscal year (cash basis)	\$948,213	\$710,467	\$416,804
Number of Receipts issued	1,665	1,628	1,717
Number of Journal Entries issued	1,059	826	808
Number of Budget Adjustments issued	112	122	136
Agency Ratings - Standard & Poors	AA-	AA-	A+
Agency Ratings - Moody's Financial Services	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	12.49%	11.79%	12.01%
General Fund Receipts (cash basis in thousands)	\$22,709	\$17,725	\$16,088
General Fund Expenditures (cash basis in thousands)	\$23,570	\$15,203	\$15,299
General Fund Cash Balances (in thousands)	\$9,392	\$10,214	\$7,613
<i>Income Tax Department</i>			
Number of Individual Returns	6,808	7,274	7,973
Number of Business Returns	2,650	2,700	2,575
Number of business withholding accounts	1,610	1,861	1,885
Amount of Penalties and Interest Collected	\$135,901	\$255,463	\$133,572
Annual number of Corporate withholding forms processed	9,088	10,076	10,372
Annual number of balance due statements forms processed	13,486	15,939	17,016
Annual number of estimated payment forms processed	12,007	12,385	12,619
Annual number of reconciliations of withholdings processed	1,625	1,884	1,910
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$1,981,083	\$572,572	\$2,582,246
<i>Municipal Court</i>			
Number of Civil Cases	5,267	4,577	4,378
Number of Criminal cases	10,732	10,289	10,521
<i>Vital Statistics</i>			
Certificates Filed			
Number of Births	2	2	2
Number of Deaths	232	255	261
Certificates Issued			
Number of Births	1,055	1,226	1,239
Number of Deaths	960	1,327	1,487
Burial Permits Issued	606	465	454
<i>Civil Service</i>			
Number of police entry tests administered	1	1	1
Number of fire entry tests administered	0	1	1
Number of police promotional tests administered	2	0	0
Number of fire promotional tests administered	1	0	0
Number of hires of Police Officers from certified lists	0	0	0
Number of hires of Fire/Medics from certified lists	0	0	0
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0

2004	2003	2002	2001
90	56	84	105
27	17	22	20
5,144	4,701	4,844	5,029
\$22,180,264	\$24,678,378	\$33,169,166	\$31,699,956
\$221,336	\$263,675	\$738,521	\$1,498,727
1,672	1,716	1,981	1,878
701	697	684	628
163	134	110	121
A+	A+	A+	A+
A1	A1	A1	A1
14.25%	9.85%	9.99%	8.37%
\$14,958	\$14,128	\$15,801	\$14,209
\$15,299	\$15,535	\$14,146	\$15,410
\$7,316	\$7,657	\$9,064	\$7,409
8,660	11,336	10,000	10,000
2,693	2,525	2,000	2,000
1,929	1,396	n/a	n/a
\$124,942	\$112,013	\$120,607	\$124,939
10,772	n/a	n/a	n/a
17,397	n/a	n/a	n/a
12,646	n/a	n/a	n/a
1,941	n/a	n/a	n/a
\$2,130,797	\$1,729,184	\$3,828,951	\$2,557,033
4,074	3,642	3,378	3,274
11,254	11,875	12,345	15,983
436	398	465	n/a
196	241	291	n/a
1,369	1,459	1,668	n/a
1,101	1,574	1,651	n/a
462	602	633	n/a
0	0	1	0
0	0	0	1
1	1	0	0
0	0	1	0
2	0	0	0
0	0	0	0
1	1	5	0
0	0	5	1

(continued)

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

Function/Program	2007	2006	2005
<i>Building Department Indicators</i>			
Construction Permits Issued	127	127	120
Estimated Value of Construction	\$27,740,947	\$5,260,975	\$36,405,800
Number of all permits issued	905	912	918
Amount of Revenue generated from permits	\$162,079	\$65,057	\$64,474
Number of contract registrations issued	517	605	453
Number of rental inspections performed	442	470	503
Number of point of sale inspections	304	347	342
Annual Apartment/Rooming House License Fees	\$37,780	\$31,550	\$7,560
Revenue generated from inspections	\$85,780	\$92,712	\$59,803
Security of Persons & Property			
<i>Police</i>			
Total Calls for Services	22,454	15,000	10,536
Number of traffic citations issued	2,568	2,574	3,214
Number of parking citations issued	1,280	1,434	1,427
Number of criminal arrests	1,718	1,863	1,610
Number of accident reports completed	553	486	544
Part 1 Offenses (major offenses)	657	576	540
Animal Warden service calls responded to per annual report	1,535	1,732	1,566
Police Dept. Auxiliary hours worked	3,439	2,668	2,892
DUI Arrests	35	48	50
Prisoners	1,456	1,510	1,415
Prisoner meal costs	\$20,517	\$16,139	\$14,157
Juvenile Arrests	340	332	168
Different Juvenile Arrests	253	253	159
Juvenile Repeat Offenders	49	47	9
Motor Vehicle Accidents	541	486	526
Property damage accidents	430	422	452
Fatalities from Motor Vehicle Accidents	1	0	1
Gasoline costs of fleet	\$67,244	\$45,645	\$36,301
Community Diversion Program Youths	45	45	75
Community Diversion Program - community service hours	648	670	1,048
<i>Fire</i>			
EMS Calls	1,704	1,536	1,629
Ambulance Billing Collections (net)	\$354,920	\$348,187	\$390,749
Fire Calls	526	505	540
Fires with Loss	44	35	28
Fires with Losses exceeding \$10K	6	3	8
Fire Losses \$	\$427,900	\$251,950	\$459,700
Fire Safety Inspections	398	398	425
Number of times Mutual Aid given to Fire and EMS	166	168	115
Number of times Mutual Aid received for Fire and EMS	42	43	62
Public Health & Welfare			
Cemetery burials	39	42	35
Cemetery cremations	9	22	19
Cemetery sale of lots	36	28	46
Cemetery receipts	\$43,705	\$45,941	\$48,380

2004	2003	2002	2001
145	155	181	161
\$6,370,050	\$3,594,730	\$42,117,927	\$4,372,017
896	851	1,021	968
\$41,899	\$40,099	\$62,639	\$53,520
441	441	551	545
398	397	344	355
335	300	270	319
\$8,495	\$9,375	\$8,345	\$7,275
\$56,620	\$60,690	\$55,780	\$57,420
10,042	9,858	10,421	10,055
2,462	3,602	4,070	3,086
1,506	1,648	1,903	2,002
2,204	1,546	1,663	1,724
584	573	571	601
480	407	564	485
2,186	1,478	1,470	1,381
2,758	2,345	2,276	2,375
77	71	59	80
1,482	1,338	1,393	1,214
\$15,754	\$15,019	\$11,988	\$5,388
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
584	573	563	603
501	491	472	467
1	0	0	0
\$38,858	\$31,231	\$26,256	\$29,327
73	49	70	147
1,026	820	956	870
1,608	1,397	1,483	1,534
\$282,012	\$252,084	\$254,885	\$270,238
449	417	382	359
25	30	25	25
7	5	4	4
\$401,150	\$365,400	\$135,510	\$217,100
464	343	296	n/a
133	144	117	106
60	41	43	48
38	50	29	52
22	20	16	14
90	57	46	57
\$66,517	\$46,207	\$35,553	\$50,177

(continued)

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

Function/Program	2007	2006	2005
Leisure Time Activities			
<i>Recreation</i>			
Recreation Swimming pool receipts	\$37,950	\$37,637	\$36,687
Recreation Mens & Womens Leagues receipts	21,666	15,513	18,962
Senior Van Fees	2,175	2,403	2,593
Playground Registration	23,410	17,833	10,750
Ellenwood Facilities rentals	18,723	21,050	26,274
Total Recreation Department receipts	<u>\$103,924</u>	<u>\$94,436</u>	<u>\$95,266</u>
Community Development			
Grant amounts received due to Economic Development Dept.	\$457,011	\$1,109,423	\$269,071
Basic Utility Services			
Refuse disposal per year (in tons) August through July	5,308	5,955	5,751
Refuse disposal costs per year August through July	\$509,870	\$544,013	\$490,430
Cost per household per month	\$9	\$10	\$9
Annual recycling tonnage (excluding leaf, and compost items)	440	514	487
Percentage of waste recycled	7.65%	7.95%	7.81%
Transportation			
Street Improvements - asphalt overlay (linear feet)	0	0	16,400
Rejuvenating Spray on Streets (Miles)	0.00	1.15	1.15
Crackseal Coating Program (Miles)	7.20	7.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	3,577	4,508	3,941
Guardrail Repair (hours)	48	36	40
Paint Striping (hours)	960	1,439	1,668
Street Sweeper (hours)	754	760	832
Cold Patch (hours)	1,248	1,924	2,419
Snow & Ice Removal regular hours	630	316	608
Snow & Ice Removal overtime hours	1,125	473	1,807
Sewer and Sanitary calls for service	845	1,002	894
After hours Sewer Calls (hours)	1,636	1,765	1,865
Sewer Crew (hours)	3,632	3,690	3,806
Sewer jet, Vac-all, other services (hours)	1,573	3,483	411
Landscaping Stump-Chipper service (hours)	5,320	5,574	5,429
Leaf collection (hours)	2,670	2,310	2,136
Holiday lights setup (hours)	1,449	1,605	1,798
Downtown Square Repair after events (hours)	340	682	420
Equipment repair/body shop (hours)	5,591	7,574	7,658
Sign department (hours)	1,559	1,541	1,332
Number of Trees Planted per year	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	2,090	6,132	6,578
Cost of salt purchased	\$82,049	\$230,080	\$218,854
Water Department			
Water Rates per 1st 300 Cu ft of water used	\$17	\$17	\$16
Avg. number of water accounts billed monthly (Cu. Ft.)	5,004	4,967	4,899
Total Water Collections Annually (Including P&I)	\$3,445,995	\$2,987,122	\$3,392,654
Payments to Cleveland for bulk water purchases	\$2,506,466	\$2,295,957	\$2,546,858
Wastewater Department			
Wastewater Rates per 1st 300 Cu ft of water used	\$13.18	\$13.18	\$13.18
Total flow of wastewater treatment plant (Billions of Gallons)	0.949	1.018	1.018
Average daily flow (Millions of gallons per day)	2.601	2.764	2.788
Tons of dry sludge removed	233.04	266.06	214.42

(1) Information prior to 2001 is not available

2004	2003	2002	2001
\$27,857	\$34,556	\$42,043	\$36,570
18,979	25,217	22,282	23,880
2,955	3,056	3,050	3,580
2,390	2,210	1,785	1,930
23,237	25,792	26,767	31,447
<u>\$75,418</u>	<u>\$90,831</u>	<u>\$95,927</u>	<u>\$97,407</u>
\$195,472	\$551,560	\$219,277	\$357,368
5,909	5,878	6,090	6,519
\$478,351	\$462,900	\$508,996	\$500,653
\$8	\$8	\$9	\$9
599	735	593	615
9.20%	11.11%	8.87%	8.62%
6,650	25,100	11,900	14,066
2.26	2.66	2.66	3.37
7.20	7.20	7.20	7.20
3,844	4,663	2,600	2,167
144	16	80	80
1,012	728	1,240	1,411
1,004	975	975	958
2,492	993	1,795	1,896
760	580	612	808
1,349	1,581	934	468
869	894	952	1,139
1,727	1,412	1,703	1,916
3,481	3,432	3,568	3,613
2,226	890	207	1,470
4,796	5,532	5,238	5,100
2,566	2,686	3,114	2,992
1,699	1,452	1,803	1,505
420	300	120	54
6,824	6,486	6,842	6,859
2,177	2,145	2,032	1,927
60-80	60-80	60-80	60-80
6,900	7,900	3,200	5,400
\$193,980	\$225,308	\$133,120	\$127,710
\$16	\$15	\$15	\$14
4,911	4,961	4,982	4,980
\$3,117,530	\$3,126,382	\$3,164,975	\$2,833,238
\$2,499,987	\$2,544,728	\$2,339,734	\$2,234,770
\$13.18	\$13.18	\$13.18	\$13.18
1.054	1.024	0.913	0.844
2.880	2.806	2.502	2.313
205.71	199.09	167.98	n/a

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

Function/Program	2007	2006	2005	2004
General Government				
Square Footage Occupied	44,035	44,035	44,035	44,035
Administrative Vehicles	2	2	2	2
Inspection Vehicles	3	3	3	3
Municipal Court Vehicles	2	2	2	2
Lands & Buildings Vehicles	2	2	2	2
Police				
Stations	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667
Vehicles	22	20	20	20
Fire				
Stations	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774
Vehicles	10	10	10	10
Recreation				
Number of Parks	4	4	4	4
Number of Pools	1	1	1	1
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	7	7	7	7
Number of Tot Lots	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433
Vehicles	14	13	13	11
Other Public Works				
Streets (miles)	48	48	48	48
Service Vehicles	55	54	55	51
Wastewater				
Sanitary Sewers (miles)	41.80	41.80	41.80	41.80
Storm Sewers (miles)	48.70	48.70	48.70	48.70
Vehicles	6	6	6	6
Water Department				
Water Lines (miles)	100	100	100	100
Vehicles	4	4	4	4

Source: City of Bedford

2003	2002	2001	2000	1999	1998
44,035	30,559	30,559	30,559	30,559	30,559
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
2	1	1	1	1	1
1	1	1	1	1	1
21,667	3,511	3,511	3,511	3,511	3,511
20	19	18	16	16	16
1	1	1	1	1	1
14,774	3,652	3,652	3,652	3,652	3,652
9	9	9	9	9	9
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	0	0
7	7	4	4	4	4
4	4	9	9	8	8
1	1	1	1	1	1
25,433	25,433	25,433	25,433	25,433	25,433
11	10	9	9	9	9
48	48	48	48	48	48
49	49	50	48	47	47
41.80	41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70	48.70
6	5	5	4	4	4
100	100	100	100	100	100
4	4	4	4	4	4

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

Function/Program	2007	2006	2005
General Government			
Muni Complex			
City Hall Building	\$2,571,532	\$2,145,077	\$2,272,641
City Hall Miscellaneous Equipment	706,017	662,990	632,257
Garage	35,114	32,584	31,087
Radio Building	10,890	10,058	9,618
Radio Tower	35,060	32,460	31,122
Police			
Muni Complex			
Justice Center Building	12,172,350	11,253,749	10,758,102
Justice Center Miscellaneous Equipment	1,793,900	1,703,307	1,526,194
Fire			
Muni Complex			
Station Building	2,750,580	2,543,267	2,431,164
Station Miscellaneous Equipment	618,296	573,755	519,219
<i>Total Municipal Complex</i>	<u>\$20,693,739</u>	<u>\$18,957,247</u>	<u>\$18,211,404</u>
Recreation			
Ellenwood Rec Center			
Building	\$3,880,354	\$3,582,170	\$3,424,798
Press Box /Concession/Pool	839,911	26,862	25,688
Municipal Pool			
Bathhouse Building	217,214	200,749	191,934
Swimming Pool	477,207	443,171	425,676
Garage			
Garage - Talor Road	119,079	110,504	105,422
Other Public Works			
Service			
Garage - Solon Road	1,491,010	1,266,187	1,210,810
Garage - Salt Storage	77,083	71,532	68,243
Cemetary			
Storage Building	139,802	129,765	123,788

<u>Year Asset Completed, Constructed or Received</u>	<u>Construction Costs</u>	<u>Replacement Factor Increase</u>
2003	\$2,030,818	26.63%
Various	561,893	25.65
2003	27,419	28.06
1997	7,317	48.83
2003	27,378	28.06
2003	9,573,704	27.14
Various	1,245,745	44.00
2003	2,162,658	27.19
Various	<u>502,303</u>	23.09
	<u>\$16,139,235</u>	28.22
1964, 1984, 1998	\$785,218	394.18
1989, 2007	854,818	(1.74)
1969	39,368	451.75
1969, 1993	136,059	250.74
1949	8,674	1,272.83
1953, 1972, 1979	545,316	173.42
1992	45,585	69.10
1985	67,414	107.38

(continued)

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

Function/Program	2007	2006	2005
Wastewater			
Sewage Treatment Plant			
Administration Building	\$140,487	\$129,757	\$124,086
Administration Miscellaneous Equipment	546,274	314,705	155,436
Laboratory Building	266,884	247,689	236,455
Laboratory Miscellaneous Equipment	127,561	121,240	115,076
Filter Building	227,623	210,237	201,050
Filter Miscellaneous Equipment	414,669	393,387	372,631
Primary Settling Tanks	297,230	276,031	265,135
Primary Settling Tanks - Miscellaneous Equipment	517,382	490,828	464,931
Oxidation Tower East Building	471,568	437,935	420,647
Oxidation Tower East - Miscellaneous Equipment	863,071	818,775	775,575
Oxidation Tower West Building	471,568	437,935	420,647
Oxidation Tower West - Miscellaneous Equipment	863,071	818,775	775,575
Equalization Basin Building	1,034,397	960,623	922,700
Rapid Sand Filter Building	579,801	535,515	512,111
Rapid Sand Filter - Miscellaneous Equipment	984,591	934,181	885,020
Final Settling Tank #2 Building	301,091	279,617	268,578
Final Settling Tank #2 - Miscellaneous Equipment	128,885	122,270	115,819
Garage	135,543	125,841	120,037
* Total Buildings	32,140,189	28,876,650	27,558,777
** Total Miscellaneous Equipment	12,704,380	11,795,863	10,909,787

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

<u>Year Asset Completed, Constructed or Received</u>	<u>Construction Costs</u>	<u>Replacement Factor Increase</u>
1973	\$30,639	358.52 %
Various	479,908	13.83
1986	130,207	104.97
Various	70,769	80.25
1973	49,644	358.51
Various	238,373	73.96
1985	145,706	103.99
Various	313,461	65.05
1973, 2001	105,767	345.86
Various	724,950	19.05
1973, 2001	103,842	354.12
Various	724,950	19.05
1992, 1993, 1997	1,827,056	(43.38)
2001	436,529	32.82
Various	806,377	22.10
1973	68,666	338.49
Various	32,682	294.36
1987	65,136	108.09
	19,183,239	67.54
	8,729,623	45.53

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

Vehicle/Program	Current Replacement Costs	2006	2005	2004
Police				
Cost Per Patrol Car	\$24,461	\$23,941	\$24,521	\$24,212
Fire				
Cost Per Fire Pumper (1)	441,564	0	0	0
Cost Per Ambulance	167,192	0	155,711	0
Service				
Cost Per Vac All (2)	275,000	0	0	0
Cost Per Street Sweeper	115,000	0	0	0
Cost Per Salt Truck	110,000	0	81,361	0
Road Construction				
Ohio Department of Transportation Construction Cost Composite Index (3)	141.4	126.1	127	112

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.

2003	2002	2001	2000	1999	1998
\$24,540	\$0	\$24,351	\$24,223	\$0	\$20,090
0	0	0	0	0	0
0	0	0	136,444	0	123,150
0	0	0	0	0	0
106,225	0	0	0	0	0
0	75,409	72,993	0	68,504	0
101.4	99.9	100	n/a	n/a	n/a

City of Bedford, Ohio

Water Utility Statistics

Last Ten Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Water Purchased from Cleveland	95,465.00	89,658.00	102,694.70	101,437.20
Water Sold (Billed) to Users	69,612.00	67,949.50	75,840.80	71,942.10
Percent of Water Billed	72.92%	75.79%	73.85%	70.92%
Water Billings	\$3,422,229	\$2,932,256	\$3,369,868	\$3,080,348
Water Collections	\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530
Percentage Collected from Billings	100.69%	101.87%	100.68%	101.21%
Payments to City of Cleveland	\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987
Percentage of payments to the City of Cleveland compared to total water collections	72.74%	76.86%	75.07%	80.19%

Source: City of Bedford Water Department

2003	2002	2001	2000	1999	1998
106,665.40	101,389.20	100,084.60	92,267.30	92,843.20	92,668.40
75,071.30	79,344.80	72,249.40	71,872.70	74,438.80	76,645.00
70.38%	78.26%	72.19%	77.90%	80.18%	82.71%
\$3,083,091	\$3,116,242	\$2,769,579	\$2,652,814	\$2,567,483	\$2,440,326
\$3,126,382	\$3,164,975	\$2,833,238	\$2,640,467	\$2,622,742	\$2,485,012
101.40%	101.56%	102.30%	99.53%	102.15%	101.83%
\$2,554,728	\$2,339,734	\$2,234,770	\$1,982,641	\$1,918,360	\$1,755,173
81.72%	73.93%	78.88%	75.09%	73.14%	70.63%



City of BEDFORD, Ohio



City of BEDFORD, Ohio

