

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2011

Memorial Day, May 28, 2012 in Bedford, Ohio

Divider Pages Depict:

Architects renderings of Union Street Bridge & Signage, directing traffic to:
Bedford Falls & Viaduct Park.

Renderings provided by Doty & Miller Architects, Bedford, Ohio

Historic Bedford Auto Mile and latest architects renderings of advertising
monuments on Rockside Road Auto Mile.

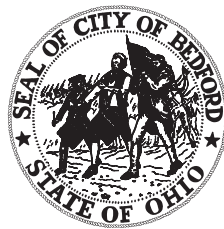
Renderings provided by Doty & Miller Architects, Bedford, Ohio

Chalk Art Day in Bedford, Ohio.

Art work provided by Arts & Culture Board.

Bedford Rotary Rib Festival & Vintage Bike Show June, 2012.

Photographer, Edward Olschansky



**City of
Bedford, Ohio**

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2011

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, 2011
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CITY OF BEDFORD OHIO

June 4, 2012

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

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

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ending December 31, 2011 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Ciuni & Panichi, Inc., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

History of Bedford and Form of Government

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

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

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

The Police Department enforces local, state, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2011 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall.

The Fire Department provides fire protection and emergency medical services (paramedic) to City of Bedford citizens, as well as placing strong emphasis on community involvement and education. A Chief and his assistant lead the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall. The Fire Departments of Maple Heights, Bedford Heights and Bedford are promoting regionalism by coordinating their departments to respond to fire calls together providing more manpower at fire alarms. Also the resources of a fire pumper and ladder truck have been reallocated for better response time and may allow less equipment to be purchased in the future, saving taxpayers money. The Fire Chiefs have initiated better services while not increasing any costs to our citizens. Again, in 2011 while promoting shared services amongst communities, the University Hospitals Health Systems- Bedford Medical Center has obtained funding to study centralized dispatching for the communities located in the southeastern area of Cleveland.

The Service Department is comprised of several divisions administered by the Service Director and a Public Works Superintendent. The Service Department is responsible for the maintenance of all City vehicles, street signs, and snow and leaf removal. The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains the water mains and bills all water users for the consumption of water on a monthly basis. The

City will continue to invest heavily in the improvement of its water system to tighten it from leaks or any loss of water in the system. Therefore, billings to the public in line with payments for water usage to the City of Cleveland will be more accurate and collections increased. Another service provided is the storm/sanitary sewers maintenance for proper drainage control. The department assists with the writing of recycling grants and overseeing the contractors that collect waste and process recyclables. The Parks Division is also under the direction of the Service Department and maintains the City parks. The City utilizes the services of a forester to monitor tree plantings and removal of trees throughout the City. The City has received the award of Tree City, U.S.A., sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forestry Service.

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

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

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

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

The Municipal Income Tax Department is responsible for the collection of the municipal income tax from 6,474 resident returns, 2,739 business net profits returns and the collection from 872 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 various CDBG housing grant programs. These programs provide funding for the purchase of homes, repairs and sale of homes to be reinvested again into the same programs. Depending upon the program, costs may be incurred to qualifying residents.

Economic Condition and Outlook

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

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

Within a period of 5 years after completion of construction, Hemisphere will create new jobs and has already transferred 5 jobs to the site. Hull & Associates will create 16 new jobs and has transferred 29 jobs to the site and, in total, both companies will create additional payroll. Current combined annual payroll of all companies is \$1,443,854.

Ben Venue Laboratories, Inc., the City of Bedford's largest employer was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and the 15th largest pharmaceutical company in the world having more than 39,000 employees with locations in over 46 countries. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has highly automated manufacturing facilities throughout the world including locations in Columbus, Ohio, Mexico City, Mexico and Barcelona, Spain. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue is the largest and oldest manufacturer of lyophilized (freeze-dried) injectable drugs in the United States. Since 1995, Ben Venue has obtained over 130 Abbreviated New Drug Application (ANDA) approvals for injectable drugs from the FDA, building a portfolio of over 260 products and dosages, and is a major player in the injectable pharmaceutical industry. Ben Venue continues to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the community.

Ben Venue's history of continued growth is one any city could hope for. Going back to 1995, Ben Venue employed 419 employees and operated within their 250,000 square foot facility. From 1996 to present, Ben Venue has approached the City for abatements in the Community Reinvestment area, regarding Real Estate development and tax exemptions to be able to conduct various expansion projects. Subsequently, Ben Venue has been able to continue to grow within their Bedford, Ohio location. At year end, 2011, headcount has increased to 1,289 and they are now operating within 1 million square foot of manufacturing area. Most recent projects include their Cyto Geno Facility and Laboratory Office Building

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

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

Major Initiatives

During the fiscal year ending December 31, 2011, the City completed or made substantial progress toward several major goals or projects.

The following are projects completed during the years 2010 and 2011. The City leveraged its funds and received various grants in completing these projects:

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

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

General Fund:	<u>Actual Costs</u>	<u>Borrowed</u>
Case 621 EXR Articulated Loader (front end loader)	\$125,017	\$130,000
Broadway Culvert Bridge Wood Creek	729,147	125,000
Roadways - Street Improvements 2010	1,653,706	1,640,000
Public Safety Fund:		
Ambulance Squad	210,878	250,000
Water Fund:		
Water Meters	25,296	350,000
Solon Road Water Main Replacement	575,873	680,000
Grand Boulevard/Magnolia Water Main Replacement	164,373	595,000
Waste Water Fund:		
Heather Road Rehabilitate Walls	1,854	40,000
Replace Telemetry-All Stations	16,284	160,000
Mapledale Road Standby Generator	72,037	75,000
Engineering Costs	0	40,000
Equalization Basin Road/Erosion Control	24,969	65,000
Equalization Basin Replace Submerible Pumps and Replace Concrete	49,706	250,000
Replace Steel Doors	80,619	65,000
Construct Sludge Storage Building	789	150,000
Comminutor Replacement/Building Modification	180	160,000
Ultra Violet Disinfection	423,045	205,000
Engineering	0	110,000
Totals	<u>\$4,153,773</u>	<u>\$5,090,000</u>

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

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

The City Council and the Administration went to the voters to pass a permanent 8.9 mill Safety Forces Levy on November 3, 2009. The levy passed (71 percent), and the City received \$2.354 million in 2010. The City Fire and AFSCME Unions along with council and the administration agreed to a concession of no raises in 2010 to avoid layoffs of their union members. The Police union did not agree to concessions and one officer was laid off and the Police Department budget was reduced to offset the funds necessary to have a total combined reduction in costs of \$400,000, in 2010. In 2011, the Fire Union, through arbitration, did obtain their raise to obtain parity with the Police Department.

The City is facing more cuts in revenue passed through from the State of Ohio, this includes three of the City's larger revenue sources: Inheritance (Estate) taxes will be totally gone as of 1/1/2013 and will cost the City an additional \$100,000 per year. The Local Government Fund is to be reduced 25 percent in 2011 and 50 percent thereafter in 2012. This led to a loss of revenue in the amount of \$68,750 in 2011 and is anticipated to result in a loss of \$233,750 in 2012 and \$330,000 in 2013 and thereafter. Finally the last loss of revenue will be in the form of an accelerated reduction in the CAT tax currently replacing the City's past personal property tax. This tax will be eliminated starting in 2012 also, a reduction totaling \$462,672 per year. These cuts from the State will now require the City to make an additional \$892,672 in adjustments to its future budgets.

The City administration prepared and, through Council, adopted the 2011 annual budget (appropriations) before December 31, 2011; thereby allowing the City Departments to bid early in the Spring to take advantage of lower bids on construction costs and allow more efficiency in preparing for recreational activities of the Summer. The City will be looking at more ways to reduce more spending and increase revenues in the budget for 2012.

The City was not awarded a grant in 2011 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. However, the program did utilize confiscated funding from past years and did receive \$31,738 from last year's grant and Federal stimulus money to continue the program. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars were \$258,211 in 2011, \$133,431 in 2010, \$127,897 in 2009, while in 2008 we received \$63,477. This year's total revenue from all sources was \$554,029.

The City received a second round of ARRA grant (Byrne JAG Program 16.803) for the Juvenile Diversion Coordinator in the amount of \$9,992. The City received a grant for the Violence Against Women Act (VAWA) in the amount of \$31,640.

The City received an ARRA grant under CDBG section 14.256 Funding Neighborhood Stabilization (NSP) Grant.

These funds were utilized to reconstruct the addresses of: 741 Washington Street (\$185,010), 775 Lincoln Ave (\$118,080), 831 Lincoln Blvd. (\$114,318), and 166 Woodrow Ave (\$168,431). Additional administrative costs will be assigned to these houses as incurred.

The City received other grants not from stimulus funds as follows:

- The City received a CDBG grant from Cuyahoga County for the reconstruction of streets (Adams and Woodrow) in the Presidential District of the City. Total cost of construction and engineering to date has reached \$337,738.
- A Juvenile Diversion grant for 2011 for wages of \$7,500.
- Community Development Recreation Playground Equipment and Community Garden in the amount of \$39,735 in 2011 and \$39,918 in 2010.
- Community Development Grant for the Historic Bedford Auto Mile on Rockside Road in the amount of \$150,000 with a match from the City of \$40,525.
- Community Development Grant for the World Changers program fixing up houses in the amount of \$20,000.
- Community Development NSP III Grant in the amount of \$150,000 for the purchase of land and/or a house to build an energy efficient home to present a better environment in the neighborhood.
- A 2010 AFG grant was awarded to the Fire department in the amount of \$79,590 for Thermal Imager, ChemPro 100, MDT computers and communication equipment, monitoring and sampling equipment. The city will match \$5,389.
- The Drug Use Prevention Grant was awarded to the City for 2011 in the amount of \$6,094.
- The Police Department received grants in the following amounts:

Overtime Heightened Enforcement Grant	\$10,871
Eagles Donation	10,000
Vest & Police Donations – Sarah McGinnis Grants	10,000
- The Fire Department received grants in the following amounts:

Fire Department Donations – Sarah McGinnis Grants	\$10,000
Eagles Donation	10,000
- The City spent \$12,634 for its share of the rehabilitation of Rockside Road west of Broadway
- The City in 2011, received an Energy grant from Cuyahoga County for facilities study and analysis related to energy savings in the amount of \$ 31,340.

Other projects:

- Computer upgrades were performed throughout the City expenditures to date for hardware and software upgrades were \$53,656 in 2011.
- The Website was improved and redesigned at a cost of \$10,250.
- The railroad crossings improvements have started and the cost to the City is expected to be around \$118,780, while the rest of the improvements will be paid through grants, will lead to total estimated improvements including gates and lighting in the amount of \$500,000.
- The street lighting rate of millage was maintained in the 2010 tax budget for collection in 2011 to 1.0 mills even though the county decreased its valuation of City property. Prior to this, the City, was at 1.1 mills in 2009 for collection in 2010 and before that maintained for eight straight years 1.2 mills for the street lighting fund. Again the values decreased but this time residential property value fell only

slightly. Cuyahoga County performed its six-year reappraisal of industry and residential property values in 2009. Due to the economy and housing foreclosure problems, the county estimated that the collections on real estate taxes for 2010 would have a delinquency rate of 5.64 percent, however the actual delinquency rate was around 2.44 percent at year's end.

- Estimated real estate collections in (000's)

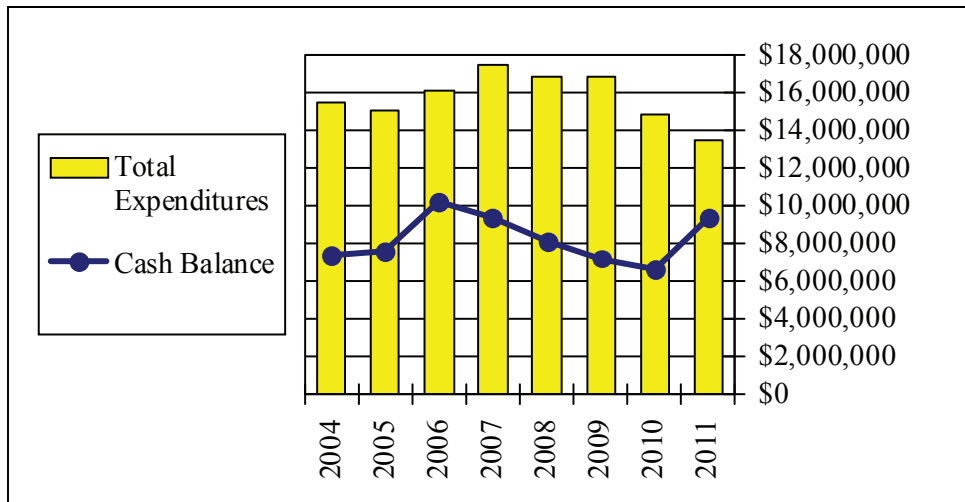
	At 100%	Estimated	Actual
2009 for Collection in 2010	\$2.573	\$2.414	\$2.487
2010 for Collection in 2011	2.523	2.381	2.462
2011 for Collection in 2012	2.521	2.280	

- The City realized its seventeenth-year of wastewater saving from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5 percent more than city is charging today (over \$3.2 million has been saved to date).
- The Tax Department utilized the innovation award winning on-line income tax preparation system for the past nine years throughout the 2011 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of this system found it accurate and available for use 24 hours a day. The program allows the taxpayer convenience of this preparation in the comfort of their home or office.
- The Bedford Fire Department performed 1,849 ambulance runs in the year 2011. The ambulance runs generated reimbursement revenue in the total amount of \$459,828 in 2011, \$359,515 in 2010, and \$397,350 in 2009. The City pays a 7 percent administrative billing costs to Great Lakes Billing Company on an annual basis. Billing was affected by the implementation of a new UHHS billing system in 2010. An increase in user rates was last placed in service on July 1, 2008.
- The City established a HUD housing fund to own and rehabilitate houses for resale. The City purchased 16 houses anywhere from \$1 to \$30,100. The City was able to sell 11 houses out of the 17 for a combined net loss of \$18,013. However, The City's general fund advanced \$644,937 to date for these 17 houses. The current advance balance to be paid back to the general fund is \$408,437. The first house was purchased in December of 2007. The City has expended overall \$1,286,426, while the sale of homes has brought in \$903,357 to date. The City benefits by improved appearance of homes in the neighborhood and long term ownership of homes.
- The City has been self-insured regarding health insurance costs for our employees for the past 18 years. In 2011, the net savings from this type of program was over \$200,000 versus a premium plan program. The estimated savings to the general fund from being self-insured to date for the past 18 years is over \$2,755,080.

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 \$9,370,809. The 2011 operating cash balance represented 69.48 percent of the total general fund (GF) expenditures or 261 days of general fund operating expenditures. This cash balance falls above the City's verbal policy to the rating agencies of maintaining a minimum required balance of \$5.8 million dollars in the general fund. The City has a formal general fund unassigned balance and reserve policy to maintain 15 percent of general fund's appropriations. The \$5.8 million balance is required to cover any future negative changes in net-profit payments from our largest taxpayer.



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

Accounting Policies and Budgetary Control

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

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

The annual budget serves as the foundation for the City of Bedford’s financial planning and control. The level of budgetary control is at the department level. All non-fiduciary funds are budgeted annually. The City also controls its expenditures at levels of personal services and all other expenditures as required by the City’s Charter. The City did have amendments to the original appropriations ordinance to account for new funds and increased grants received during 2011.

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

Internal accounting and reporting control

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

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

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

General Fund Balance Policy

The City has long maintained a general fund reserve fund balance policy. The current reserve is set at \$5.8 million and with other current available funds at \$2,017,680 these amounts represented, as stated above a 53.32 percent fund balance to operating expenditures ratio. Having this policy in place, and the Administration as well as Council realizing that a deficit spending pattern of \$2.7 million per year was taking place (General Fund revenues versus expenses) in 2009; the City placed an 8.9 mill levy on the November 3, 2009 ballot to counter this deficit immediately. The deficit was created due to the elimination of taxes passed by the State, and the reduction of tax dollars provided by the State, as well as, a large reduction in business net profit income tax dollars. The citizens of Bedford seeing the need also, overwhelmingly passed the issue by 71 percent.

Debt Policy

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

Investment Policy

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income from governmental activities during 2011 was \$108,763 and \$37,698 in 2010.

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

Independent Audit

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. Ciuni & Panichi, Inc., performed these services for 2011, and an unqualified opinion is presented in the financial section.

Certificate of Achievement

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

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

A Certificate of Achievement is valid for a period of one year only. The 2010 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 2011 Comprehensive Annual Report to the GFOA for award consideration.

Acknowledgments

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

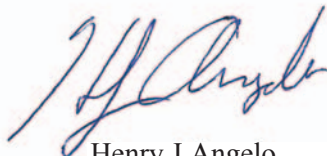
Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Henry J. Angelo
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2011

Elected Officials

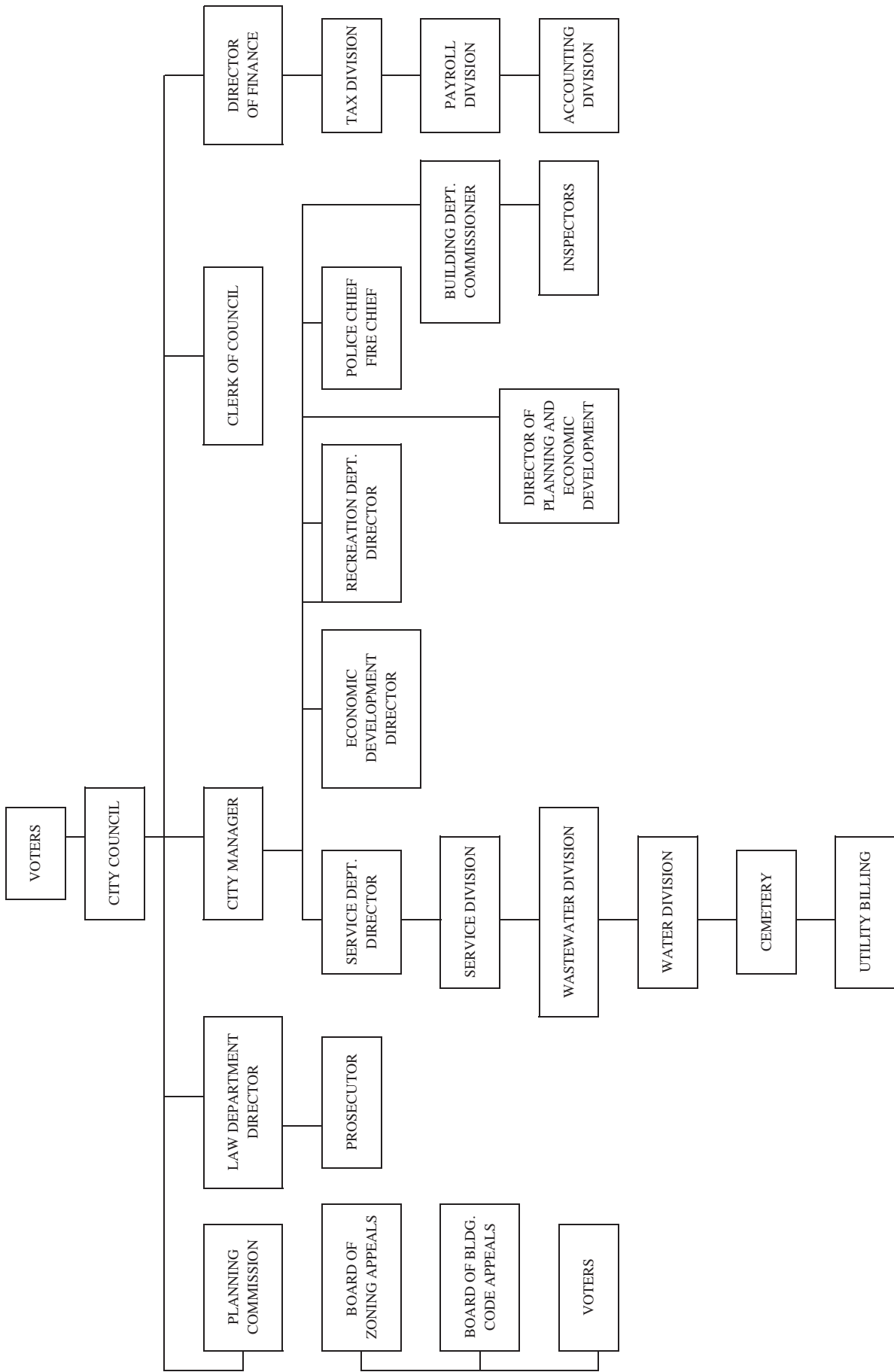
Mayor..... Dan Pocek
Vice Mayor Stanley Koci
Council Member Paula Mizak
Council Member Donald A. Saunders
Council Member Marilyn B. Zolata
Council Member Gregory E. Pozar
Council Member Warner Batten
Presiding Judge Brian J. Melling
Municipal Judge..... Harry Jacobs

Appointed Officials

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

(1) Michael S. Mallis appointed (Acting) Building Commissioner 12/16/2011

**ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emer

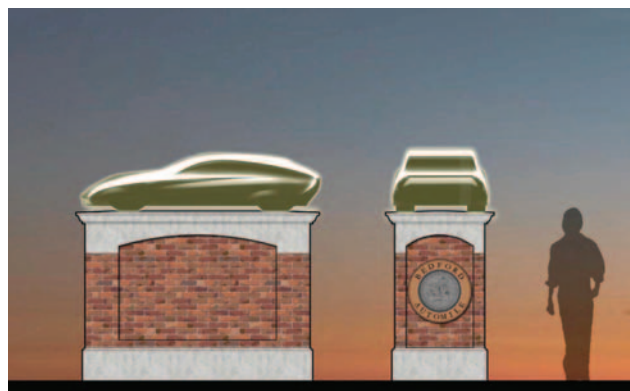
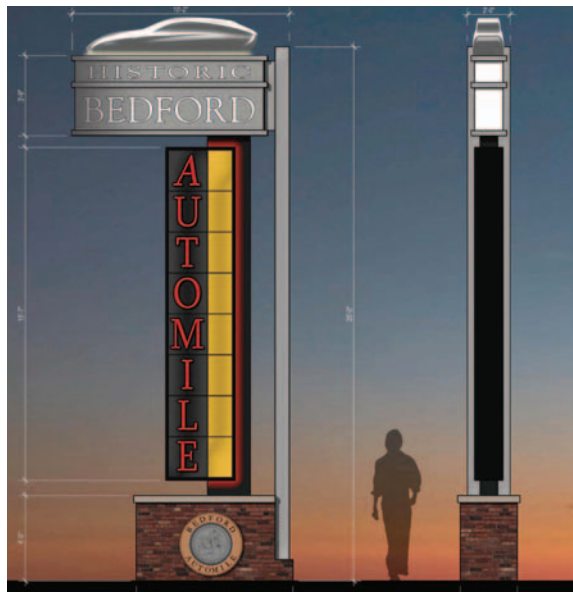
Executive Director



City of BEDFORD, Ohio

F INANCIAL

S ECTION





City of BEDFORD, Ohio

Independent Auditor's 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 (the "City") as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows, thereof and the respective budgetary comparison for the General and Public Safety Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18, during the year ended December 31, 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 59, *Financial Instruments Omnibus*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the City Council
Bedford, Ohio

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 16 and pages 24 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Cini & Parichi, Inc.

Cleveland, Ohio
June 4, 2012

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The City placed an 8.9 mill safety forces levy on the November 2009 ballot and this levy was overwhelmingly approved by the residents for the operation and upkeep of the City's police and fire departments. The departments continued their strong emphasis on the training of their personnel to maintain their proficiency and to keep up with the rapidly changing laws, practices and technology.
- Total assets of the City of Bedford exceeded liabilities at the close of the most recent year (2011) by \$49,824,983 compared to \$48,260,027 at the end of 2010. Of this amount, the general fund's \$12,281,903 (2011) and \$10,826,645 (2010) may be used to meet the government's ongoing obligations to citizens and creditors provided it is expended or transferred according to the charter of the City of Bedford and/or the general laws of Ohio.
- Capital assets of governmental activities decreased by \$1,302,958, which represents a 3.78 percent decrease from 2010. Capital assets of business-type activities increased \$723,459, which represents a 5.27 percent increase from 2010. Overall capital assets decreased due to current year depreciation outpacing current year acquisitions. The City issued general obligation debt in 2010 to improve: streets, the Broadway Bridge, wastewater plant improvements including equalization basin improvements, water improvements to mains and new commercial meters, and the purchase of new vehicles including a new ambulance and front-end loader. The City issued tax exempt bonds and Build America Bonds (BABS) to make the improvements.
- The total amount of general obligation bonds including BABS issued in 2010 was \$5,090,000. The debt is to be paid from the following revenue sources: Water and Wastewater general obligation bonds and BABS from the Water and Wastewater funds with applicable water and sewer rates billed to utility users to pay for the annual debt service. The Streets, the Broadway Bridge and the loader are to be paid from the 3.28 inside mills of real estate taxes collected in the general fund but the annual general obligation Bonded debt amount is then allocated to the general obligation Debt Service Fund to pay off the debt.
- Total current governmental assets increased by \$1,150,268 due to: more cash on hand from the borrowed funds, and increases in income taxes, intergovernmental receivables, and property taxes. One of the reasons for the increase in total governmental revenues is attributable to an increase in the income tax collections from business withholdings. Decreases in investment income is due to a decline in interest rates and lower fund balances for the second straight year, while decreases in Intergovernmental receivables is due to the State cuts in the Commercial Activity Tax, local government tax and less reimbursements from Housing improvement NSP Grants.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

- Total current liabilities are similar to 2010; however, the Business-Type Activities accounts payable decreased by \$174,445 during the current year. The decrease was due to more completed projects, less payables from the construction payments due on the Solon Road water line project and Ultraviolet Disinfection wastewater plant improvement.
- The total municipal income tax revenues for all funds in 2011 were \$10,249,624 versus \$9,079,417 in 2010. This equates to a \$1,170,207 (12.89 percent) increase in income tax revenue. On the cash basis of accounting, the municipal net profits income taxes paid by one of our largest taxpayers increased to \$231,834 for tax year 2010; however, for the tax years 2011 and 2009 the amount remained at zero. A decrease in net profits occurred in 2008 in the amount of \$622,874 compared to 2007; and with reduced payments of net profit taxes since 2007 to zero, this created a total deficit each year thereafter, of \$1,982,000. This same taxpayer's, employee business withholding tax payments, in 2011 has increased 9.15 percent over 2010, and also increased by 14.95 percent their payments in 2010 over 2009. Therefore, the 8.9 mills Safety Forces levy was necessary and afforded for passage to the taxpayers in 2009.
- The City is committed to providing the Citizens of Bedford with the highest quality of services while maintaining efficiency and cost effectiveness. Overall, governmental activities expenses in 2011 decreased slightly 1.25 percent over 2010 as a result of diligent financial management. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

welfare, leisure time activities, community development, transportation and basic utility services. The business-type activities include water and wastewater.

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

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

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

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

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 64 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 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

The City of Bedford as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2011 compared to 2010.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$26,355,081	\$25,204,813	\$7,187,947	\$7,833,925	\$33,543,028	\$33,038,738
Capital Assets, Net	33,200,949	34,503,907	14,443,262	13,719,803	47,644,211	48,223,710
<i>Total Assets</i>	<u>\$59,556,030</u>	<u>\$59,708,720</u>	<u>\$21,631,209</u>	<u>\$21,553,728</u>	<u>\$81,187,239</u>	<u>\$81,262,448</u>

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

(Table 1)
 Net Assets (continued)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Liabilities						
Current and Other Liabilities	\$7,654,169	\$7,736,605	\$914,722	\$1,127,773	\$8,568,891	\$8,864,378
Long-Term Liabilities:						
Due Within One Year	1,402,523	1,121,118	1,351,487	1,205,146	2,754,010	2,326,264
Due in More than One Year	<u>12,568,381</u>	<u>13,095,778</u>	<u>7,470,974</u>	<u>8,716,001</u>	<u>20,039,355</u>	<u>21,811,779</u>
<i>Total Liabilities</i>	<u>21,625,073</u>	<u>21,953,501</u>	<u>9,737,183</u>	<u>11,048,920</u>	<u>31,362,256</u>	<u>33,002,421</u>
Net Assets						
Invested in Capital Assets						
Net of Debt	20,968,797	22,729,591	5,917,802	4,122,051	26,886,599	26,851,642
Restricted:						
Capital Projects	241,731	0	0	0	241,731	0
Debt Service	513,704	533,106	0	0	513,704	533,106
Municipal Courts	774,291	746,043	0	0	774,291	746,043
Streets	1,227,043	1,125,705	0	0	1,227,043	1,125,705
Community Development	627,065	535,619	0	0	627,065	535,619
Street Lighting	555,255	585,951	0	0	555,255	585,951
Drug Force Violations	409,517	192,207	0	0	409,517	192,207
Other Purposes	301,073	428,972	0	0	301,073	428,972
Unrestricted	<u>12,312,481</u>	<u>10,878,025</u>	<u>5,976,224</u>	<u>6,382,757</u>	<u>18,288,705</u>	<u>17,260,782</u>
<i>Total Net Assets</i>	<u>\$37,930,957</u>	<u>\$37,755,219</u>	<u>\$11,894,026</u>	<u>\$10,504,808</u>	<u>\$49,824,983</u>	<u>\$48,260,027</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Bedford, total assets exceed total liabilities by \$48,260,027 at December 31, 2010 and \$49,824,983 at the close of the most recent year.

The largest portion of the City's net assets (53.96 percent) reflects "Investments in Capital Assets" (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total governmental assets decreased by \$152,690 from 2010 to 2011, while the City's total governmental liabilities decreased by \$328,428. The most significant changes in total assets was the decrease in equity in depreciable capital assets of \$1,380,138, the decrease in intergovernmental receivables of \$515,244, increases in equity in pooled cash and cash equivalents in the amount of \$918,822, and an increase in income taxes and property taxes receivable in the amounts of \$525,346 and \$138,259 respectively. The reason for the increase in property taxes receivable was due to the Safety Forces Levy as stated earlier. The income taxes receivable increased as the City stepped up more types of collection efforts through two outside collection vendors and therefore collected more funds on delinquent accounts and obtained more delinquent accounts in the process. Another item affecting the total assets was the accumulated depreciation on assets which reduced capital assets, and next year future expenditures of borrowed funds on capital projects will occur adding to net capital assets in 2011. Most liabilities were reduced based upon fewer employees and less construction uncompleted.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

Most of this increase in governmental net assets is due to the increase in cash on hand. Due to the State of Ohio's budget problems, and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has increased the inheritance tax level of reporting for residents from \$25,000 to \$338,000. The State of Ohio has eliminated the inheritance tax as of January 1, 2013. These changes have had a negative effect on the revenue stream in the City. This change in taxation will lead to a total loss of inheritance tax revenue yearly. Inheritance tax collection for 2011 was \$187,773.

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

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2011 and 2010.

(Table 2)
 Changes in Net Assets

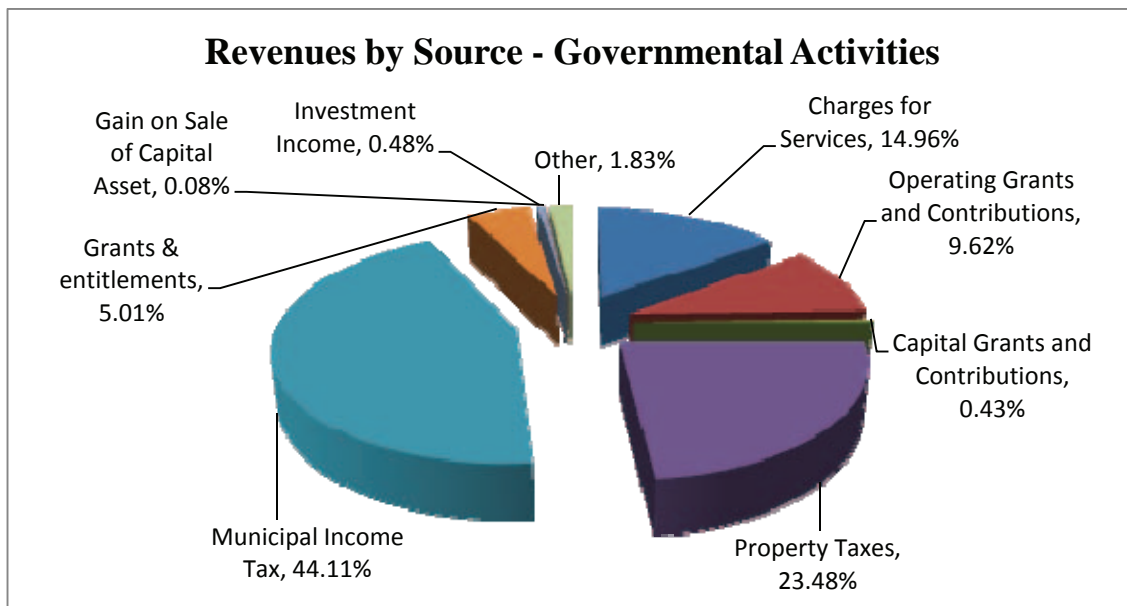
	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$3,376,682	\$3,026,874	\$6,651,408	\$6,551,129	\$10,028,090	\$9,578,003
Operating Grants and Contributions	2,171,358	3,317,598	0	0	2,171,358	3,317,598
Capital Grants and Contributions	97,583	24,856	428,182	0	525,765	24,856
Total Program Revenues	5,645,623	6,369,328	7,079,590	6,551,129	12,725,213	12,920,457
General Revenues						
Property Taxes	5,299,630	5,323,561	0	0	5,299,630	5,323,561
Municipal Income Taxes	9,957,945	8,802,816	291,679	276,601	10,249,624	9,079,417
Grants and Entitlements not Restricted to Specific Programs	1,131,551	1,406,412	0	0	1,131,551	1,406,412
Investment Income	108,763	37,698	81,581	31,346	190,344	69,044
Gain on Sale of Capital Assets	17,041	4,957	0	21,696	17,041	26,653
Miscellaneous	413,756	172,198	27,249	66,737	441,005	238,935
Total General Revenues	16,928,686	15,747,642	400,509	396,380	17,329,195	16,144,022
Total Revenues	\$22,574,309	\$22,116,970	\$7,480,099	\$6,947,509	\$30,054,408	\$29,064,479

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	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Program Expenses						
General Government	\$5,091,308	\$4,908,785	\$0	\$0	\$5,091,308	\$4,908,785
Security of Persons and Property						
Police	5,290,725	5,247,617	0	0	5,290,725	5,247,617
Fire	3,779,111	3,755,520	0	0	3,779,111	3,755,520
Public Health and Welfare	194,643	177,865	0	0	194,643	177,865
Leisure Time Activities	1,324,108	1,391,675	0	0	1,324,108	1,391,675
Community Development	843,855	949,599	0	0	843,855	949,599
Basic Utility Services	1,010,797	1,054,778	0	0	1,010,797	1,054,778
Transportation	4,303,602	4,685,770	0	0	4,303,602	4,685,770
Interest and Fiscal Charges	560,422	509,591	0	0	560,422	509,591
Water	0	0	4,131,949	4,515,808	4,131,949	4,515,808
Wastewater	0	0	1,958,932	2,051,038	1,958,932	2,051,038
<i>Total Program Expenses</i>	<u>22,398,571</u>	<u>22,681,200</u>	<u>6,090,881</u>	<u>6,566,846</u>	<u>28,489,452</u>	<u>29,248,046</u>
Increase in Net Assets	175,738	(564,230)	1,389,218	380,663	1,564,956	(183,567)
Net Assets Beginning of Year	<u>37,755,219</u>	<u>38,319,449</u>	<u>10,504,808</u>	<u>10,124,145</u>	<u>48,260,027</u>	<u>48,443,594</u>
Net Assets End of Year	<u>\$37,930,957</u>	<u>\$37,755,219</u>	<u>\$11,894,026</u>	<u>\$10,504,808</u>	<u>\$49,824,983</u>	<u>\$48,260,027</u>

Governmental Activities

Governmental activities increased the City's net assets from \$37,755,219 to \$37,930,957 or by the amount of \$175,738. The primary reason for the increase in net assets relates to the increase in revenues from the municipal income tax collections and reductions in operating grants and contributions especially from State funds. Transportation costs were reduced due to less construction project expenses. Several types of revenues fund our governmental activities, with the City income tax being the largest contributor.



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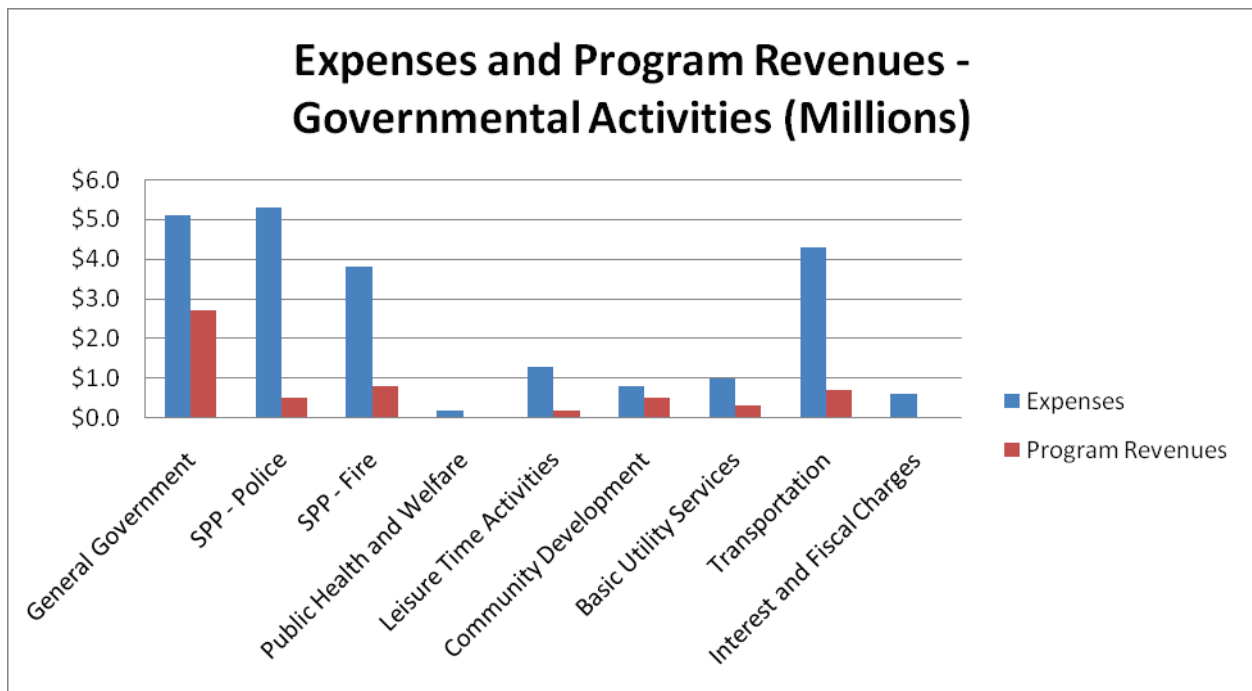
The income tax rate was 2.25 percent for 2011, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if Bedford residents work in another locality that has a municipal income tax, the City provides up to 100 percent credit to a limit of 1.50 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to reduce that income tax credit and create additional revenues for the City.

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

Decreases in various program expenses were the result of not replacing of eleven employees leaving service as well as one layoff of a police officer. Most other expenses closely parallel inflation and growth in the demand for services. Increases were caused by contracted wage increases along with the related pension costs and employee hospitalization costs.

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2011, \$9,069,836 was spent or 40.49 percent of program expenses related to security of persons and property as similarly to 2010, when \$9,003,137 was spent or 39.69 percent. Due to the hiring freeze in 2009, three police officers retired were not replaced and one officer was laid off. There was a decrease in the Fire Department expenses and this can be attributed to the department staffing two less employees in 2009. The cost increase was due to salary increases and in line with inflation.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winter was good in 2011 but we had a hard winter in 2010 which accounted for the lower spending on salt in 2011 than in 2010. An increase in road maintenance under the transportation expense type occurred in 2010. The City maintains salt funding for two years of winter storms at all times.



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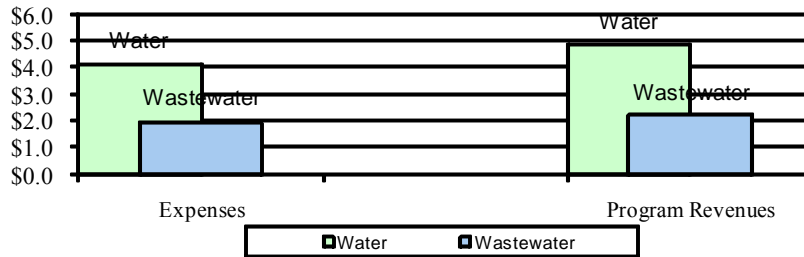
Business-Type Activities

The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net assets by \$1,389,218. Program revenues were more than program expenses in the amount of \$714,228 for the water operations in 2011. This increase in net assets is due to repairing major waterline breaks in 2011 this increased billable consumption of water. The statistical schedule S52 and S53 identified that there was a major leak and the City employees repaired this leak and it was very successful in stopping further losses immediately. There were more delinquencies due to foreclosures in water billings in 2011. This revenue is classified as charges for services. The water rate increases of 3.00 percent annually went into effect in 2010, 2011, and 2012 respectively.

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

Program revenues were more than program expenses in the amount of \$274,481 for the wastewater operations for 2011. An increase in wastewater rates was placed into effect in 2009, 2010 and 2011 at 4 percent each year and created this increase in revenue. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels of non-payment. Total program revenues for wastewater operations recorded in 2011 were \$2,233,413 versus \$2,196,959 in 2010.

EXPENSES AND PROGRAM REVENUES
(in millions)



Financial Analysis of the Government's Funds

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

Governmental Funds

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

All governmental funds had total revenues of \$22,215,741 in 2011 and \$21,807,797 in 2010, and total expenditures of \$21,836,202 in 2011 and \$22,576,928 in 2010 leaving a difference of expenditures over revenues of 379,539 and (\$769,131) respectively. The most significant change in our funds from 2011 to 2010 was the increase in municipal income tax revenue of \$851,776. The reasons for this increase on a modified

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accrual basis of accounting were discussed earlier. The major decrease in revenues (\$1,038,071) was the intergovernmental revenues see prior comments about State revenue cuts and elimination of revenue to municipalities. Charges for Services also increased by \$276,716 due to more billings performed in 2011 versus 2010 as a new computer system was installed and delayed billings. The main decrease in expenses was in capital outlay in 2011 the amount was decreased by \$610,941. This was due to finalizing projects performed in 2010 with Community Development Block Grant funds and the infrastructure street improvements from the general obligation bond issue proceeds.

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 \$10,298,738 compared to \$9,173,808 in 2010 of which \$10,019,811 in 2011 was unassigned at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balances to total fund expenditures including transfers out. The 2011 unassigned fund balance represents 66.99 percent of total general fund expenditures and transfers out, while total fund balances represents 68.85 percent. The unassigned fund balance will cover 245 days of City general fund expenditures. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund increased by \$1,124,930. The increase in the general fund balance is due to increased collections from the municipal income tax, and the Safety levy passed for collection in 2010 helped stabilize overall revenues. The income tax revenue in the general fund for 2011 was \$8,990,512 and was \$8,162,205 in 2010. The transfers out of \$3,874,469 in 2011, was more than the \$3,710,947 in 2010 due to salary increases per union contracts. These transfers are identified in Note 11 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2011 was \$229,120 and \$241,776 in 2010. This fund accounts for the City's police and fire departments. The general fund transferred funds to cover the costs of other operations and capital project costs in 2011.

Other governmental funds had an decrease in fund balance due to less ARRA CDBG Grants in 2011, and the general obligation bonded debt issued in 2010 to increase the capital outlay and resources of the City. The City continues to maximize income tax and grant money to provide the citizens with a dynamic place to call home.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2011, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the whole Council for Ordinance enactment on the changes. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our service department, and the municipal court activities, as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

The general fund's, original budgeted revenues were \$15,216,632. The final budgeted revenue amount was \$15,076,669. The general fund's original appropriations were budgeted at \$10,300,074. The final budgeted appropriations were \$10,341,041. The City of Bedford's ending unencumbered cash balance in the general fund was increased by \$925,728 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:

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- ❑ The most significant budget change was the decrease in Intergovernmental revenues. However, this revenue source increased due to the unexpected revenue from inheritance taxes and local government funds.
- ❑ The police (non-officer) department left unspent \$55,859 (2.99 percent) of anticipated expenditures in 2011.
- ❑ The parks and public lands department left unspent \$96,050 (41.68 percent) of anticipated expenditures in 2011.
- ❑ The service department had unspent \$139,981 (8.09 percent) of expenditures versus final budgeted amounts.
- ❑ The municipal complex building maintenance department left unspent \$152,614 (21.49 percent) of final budgeted amounts.
- ❑ The transfers out to other funds had unspent \$25,000 (0.64 percent) of expenditures versus final budgeted amounts due to less money being needed to support programs in other funds.

Actual expenditures were \$739,236 less than appropriations due mainly to the diligence of management to keep costs low.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$2,908,079	\$2,908,079	\$28,620	\$28,620	\$2,936,699	\$2,936,699
Construction in Progress	114,499	37,319	689,242	436,367	803,741	473,686
Buildings and Improvements	13,930,781	14,345,695	6,560,263	6,679,317	20,491,044	21,025,012
Machinery and Equipment	1,067,949	1,102,997	215,325	157,655	1,283,274	1,260,652
Furniture and Fixtures	132,949	119,172	0	0	132,949	119,172
Vehicles	1,073,026	1,072,929	286,235	222,389	1,359,261	1,295,318
Infrastructure	13,973,666	14,917,716	6,663,577	6,195,455	20,637,243	21,113,171
Total	\$33,200,949	\$34,503,907	\$14,443,262	\$13,719,803	\$47,644,211	\$48,223,710

Total governmental capital assets decreased \$1,302,958 in 2011. Decreases in many capital asset categories occurred in 2011 mostly due to depreciation expense and the disposal of \$84,883 in governmental capital assets. The depreciation expense of governmental activity assets for the year 2011 was \$2,670,291. The City had additions to capital assets from the issuance of bonds in 2010.

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 12 to the basic financial statements.

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Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$11,392,905	\$11,963,792	\$4,408,165	\$4,652,674	\$15,801,070	\$16,616,466
Special Assessment Bonds	240,000	310,000	0	0	240,000	310,000
OPWC Loans	807,359	337,199	1,092,830	1,168,124	1,900,189	1,505,323
OWDA Loans	0	0	3,187,592	3,977,893	3,187,592	3,977,893
Police Pension	181,428	185,871	0	0	181,428	185,871
Capital Leases	12,915	22,845	0	0	12,915	22,845
Compensated Absences	1,336,297	1,397,189	133,874	122,456	1,470,171	1,519,645
Total	\$13,970,904	\$14,216,896	\$8,822,461	\$9,921,147	\$22,793,365	\$24,138,043

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

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

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

The police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2011 the balance was \$181,428.

The Business-type debt consisted of the following:

The general obligation bonds are composed of the 2010 Water (\$1,625,000) and Wastewater (\$1,320,000) improvements, this new issue is to be repaid from the water rates and water bill collections; the 2006 advance refunding issue of the (1) a sewer improvement bond issued in 2002; (2) the refunding bonds issued in 2002 to pay off the water system mortgage revenue bonds outstanding from the 1991 issue; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. The Grand, Magnolia, and Franklin water line OPWC project will be repaid from the water rates, and the funds to match this grant came from the bond proceeds issued in 2010. This 2010 issue is to be

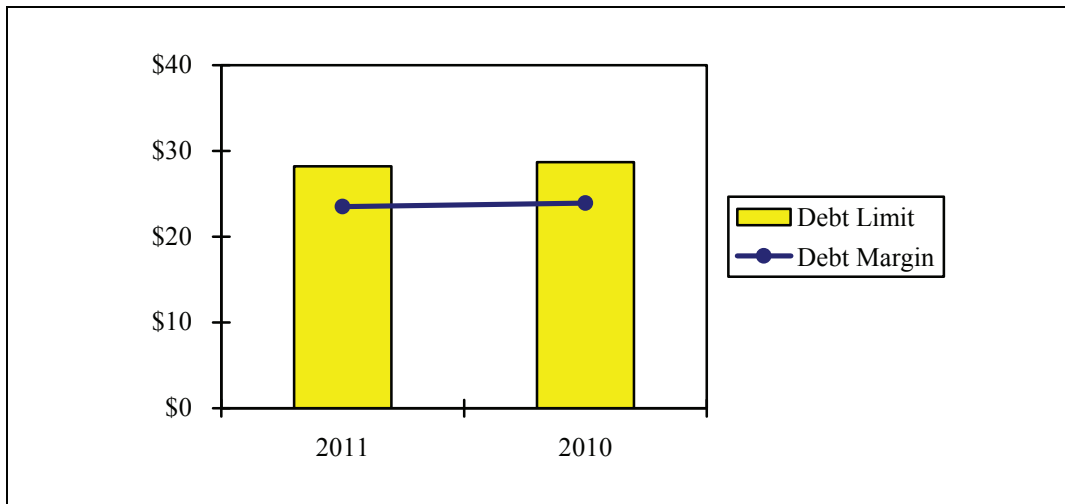
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repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington Street, Tinkers Creek Commerce Park and Forbes Road water line. The amount of \$646,000 out of the \$1,900,000, 2006 new money was issued to pay for these water lines.

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

Most of the City's wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has two of these types of loans outstanding at year end. The OWDA loans outstanding are for the following purposes: the 1994 various wastewater plant improvements (\$1,625,375 outstanding) and the 2003 Rapid Sandfilter Improvement (\$1,672,854 outstanding). These loans are for 20 years at 4.80 percent and 3.90 percent respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin decreased to \$23.5 million. This is the additional amount of debt the City could issue. The legal debt margin decreased \$.4 million from 2010 to 2011 due to a slight decrease in property valuations offset by the City paying down current debt.



The City continues to monitor its outstanding debt. Information relative to debt is identified in Note 14 to the basic financial statements.

Current Financial Related Activities

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

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

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

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

Contacting the City's Finance Department

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

City of Bedford, Ohio

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$13,819,718	\$5,137,431	\$18,957,149
Accounts Receivable	244,524	1,727,144	1,971,668
Accrued Interest Receivable	12,488	0	12,488
Intergovernmental Receivable	1,211,491	0	1,211,491
Internal Balances	3,814	(3,814)	0
Income Taxes Receivable	2,922,455	0	2,922,455
Materials and Supplies Inventory	173,900	183,665	357,565
Prepaid Items	34,914	0	34,914
Loans Receivable	50,000	0	50,000
Property Taxes Receivable	5,774,409	0	5,774,409
Special Assessments Receivable	922,795	0	922,795
Unamortized Bond Issuance Costs	221,027	143,521	364,548
Assets Held for Resale	963,546	0	963,546
Nondepreciable Capital Assets	3,022,578	717,862	3,740,440
Depreciable Capital Assets, Net	30,178,371	13,725,400	43,903,771
<i>Total Assets</i>	<u>59,556,030</u>	<u>21,631,209</u>	<u>81,187,239</u>
Liabilities			
Accounts Payable	228,801	659,084	887,885
Accrued Wages	374,670	43,349	418,019
Intergovernmental Payable	602,046	41,213	643,259
Vacation Benefits Payable	697,718	83,398	781,116
Claims Payable	180,709	0	180,709
Deferred Revenue	5,528,767	0	5,528,767
Accrued Interest Payable	41,458	87,678	129,136
Long-Term Liabilities:			
Due Within One Year	1,402,523	1,351,487	2,754,010
Due In More Than One Year	12,568,381	7,470,974	20,039,355
<i>Total Liabilities</i>	<u>21,625,073</u>	<u>9,737,183</u>	<u>31,362,256</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	20,968,797	5,917,802	26,886,599
Restricted for:			
Capital Projects	241,731	0	241,731
Debt Service	513,704	0	513,704
Municipal Courts	774,291	0	774,291
Streets	1,227,043	0	1,227,043
Community Development	627,065	0	627,065
Street Lighting	555,255	0	555,255
Drug Force Violations	409,517	0	409,517
Other Purposes	301,073	0	301,073
Unrestricted	12,312,481	5,976,224	18,288,705
<i>Total Net Assets</i>	<u>\$37,930,957</u>	<u>\$11,894,026</u>	<u>\$49,824,983</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	
Governmental Activities				
General Government	\$5,091,308	\$2,083,696	\$585,887	\$0
Security of Persons and Property				
Police	5,290,725	64,974	430,038	0
Fire	3,779,111	434,885	397,242	0
Public Health and Welfare	194,643	14,892	25,779	0
Leisure Time Activities	1,324,108	153,829	4,325	0
Community Development	843,855	334,687	133,616	0
Basic Utility Services	1,010,797	289,719	0	0
Transportation	4,303,602	0	594,471	97,583
Interest and Fiscal Charges	560,422	0	0	0
<i>Total Governmental Activities</i>	<u>22,398,571</u>	<u>3,376,682</u>	<u>2,171,358</u>	<u>97,583</u>
Business-Type Activities				
Water	4,131,949	4,417,995	0	428,182
Wastewater	1,958,932	2,233,413	0	0
<i>Total Business-Type Activities</i>	<u>6,090,881</u>	<u>6,651,408</u>	<u>0</u>	<u>428,182</u>
<i>Total</i>	<u>\$28,489,452</u>	<u>\$10,028,090</u>	<u>\$2,171,358</u>	<u>\$525,765</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

 Wastewater

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,421,725)	\$0	(\$2,421,725)
(4,795,713)	0	(4,795,713)
(2,946,984)	0	(2,946,984)
(153,972)	0	(153,972)
(1,165,954)	0	(1,165,954)
(375,552)	0	(375,552)
(721,078)	0	(721,078)
(3,611,548)	0	(3,611,548)
(560,422)	0	(560,422)
(16,752,948)	0	(16,752,948)
0	714,228	714,228
0	274,481	274,481
0	988,709	988,709
(16,752,948)	988,709	(15,764,239)
2,263,682	0	2,263,682
32,714	0	32,714
3,003,234	0	3,003,234
9,277,242	0	9,277,242
680,703	0	680,703
0	291,679	291,679
1,131,551	0	1,131,551
108,763	81,581	190,344
17,041	0	17,041
413,756	27,249	441,005
16,928,686	400,509	17,329,195
175,738	1,389,218	1,564,956
37,755,219	10,504,808	48,260,027
\$37,930,957	\$11,894,026	\$49,824,983

City of Bedford, Ohio*Balance Sheet**Governmental Funds**December 31, 2011*

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,793,053	\$778,021	\$3,847,903	\$13,418,977
Property Taxes Receivable	2,235,276	3,273,019	266,114	5,774,409
Income Taxes Receivable	2,922,455	0	0	2,922,455
Accounts Receivable	244,524	0	0	244,524
Intergovernmental Receivable	631,584	160,382	419,525	1,211,491
Interfund Receivable	473,500	0	0	473,500
Accrued Interest Receivable	12,488	0	0	12,488
Materials and Supplies Inventory	166,317	7,583	0	173,900
Prepaid Items	34,914	0	0	34,914
Loans Receivable	0	0	50,000	50,000
Special Assessments Receivable	149,994	0	772,801	922,795
Assets Held for Resale	0	0	963,546	963,546
<i>Total Assets</i>	<u>\$15,664,105</u>	<u>\$4,219,005</u>	<u>\$6,319,889</u>	<u>\$26,202,999</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$97,490	\$18,082	\$111,966	\$227,538
Accrued Wages	189,213	180,127	5,330	374,670
Intergovernmental Payable	238,267	358,275	5,504	602,046
Interfund Payable	0	0	473,500	473,500
Deferred Revenue	4,840,397	3,433,401	1,531,534	9,805,332
<i>Total Liabilities</i>	<u>5,365,367</u>	<u>3,989,885</u>	<u>2,127,834</u>	<u>11,483,086</u>
Fund Balances				
Nonspendable	201,231	7,583	43,056	251,870
Restricted	0	221,537	3,714,559	3,936,096
Committed	16,033	0	311,465	327,498
Assigned	61,663	0	145,418	207,081
Unassigned (Deficit)	10,019,811	0	(22,443)	9,997,368
<i>Total Fund Balances</i>	<u>10,298,738</u>	<u>229,120</u>	<u>4,192,055</u>	<u>14,719,913</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$15,664,105</u>	<u>\$4,219,005</u>	<u>\$6,319,889</u>	<u>\$26,202,999</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, 2011*

Total Governmental Fund Balances \$14,719,913

*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. 33,200,949

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

Property Taxes	\$525,642
Income Taxes	1,973,937
Special Assessments	922,795
Intergovernmental	<u>854,191</u>

Total 4,276,565

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	218,769
Internal Balances	<u>3,814</u>

Total 222,583

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. 221,027

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (41,458)

Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds. (697,718)

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	(11,392,905)
Special Assessment Bonds	(240,000)
OPWC Loans	(807,359)
Police Pension	(181,428)
Capital Leases	(12,915)
Compensated Absences	<u>(1,336,297)</u>

Total (13,970,904)

Net Assets of Governmental Activities \$37,930,957

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, 2011

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$2,217,431	\$2,911,025	\$8,480	\$5,136,936
Municipal Income Taxes	8,990,512	0	680,703	9,671,215
Charges for Services	1,024,398	0	450	1,024,848
Fees, Licenses and Permits	248,210	50	0	248,260
Fines and Forfeitures	1,493,914	0	267,314	1,761,228
Intergovernmental	1,938,999	360,119	1,118,211	3,417,329
Special Assessments	0	0	387,548	387,548
Contributions and Donations	0	0	48,317	48,317
Interest	78,974	4,977	22,236	106,187
Rentals	24,632	0	0	24,632
Other	54,053	1,844	333,344	389,241
<i>Total Revenues</i>	<u>16,071,123</u>	<u>3,278,015</u>	<u>2,866,603</u>	<u>22,215,741</u>
Expenditures				
Current:				
General Government	4,562,025	0	76,049	4,638,074
Security of Persons and Property:				
Police	1,817,056	3,051,394	434,792	5,303,242
Fire	205,532	3,415,627	22,820	3,643,979
Public Health and Welfare	166,377	0	27,537	193,914
Leisure Time Activities	1,300,039	0	16,922	1,316,961
Community Development	741,137	0	118,212	859,349
Basic Utility Services	688,705	0	322,092	1,010,797
Transportation	1,580,374	0	810,485	2,390,859
Capital Outlay	0	0	1,230,803	1,230,803
Debt Service:				
Principal Retirement	14,373	0	707,689	722,062
Interest and Fiscal Charges	7,853	0	518,309	526,162
<i>Total Expenditures</i>	<u>11,083,471</u>	<u>6,467,021</u>	<u>4,285,710</u>	<u>21,836,202</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,987,652</u>	<u>(3,189,006)</u>	<u>(1,419,107)</u>	<u>379,539</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	11,747	0	37,294	49,041
OPWC Loans Issued	0	0	518,349	518,349
Transfers In	0	3,176,350	842,519	4,018,869
Transfers Out	(3,874,469)	0	(144,400)	(4,018,869)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,862,722)</u>	<u>3,176,350</u>	<u>1,253,762</u>	<u>567,390</u>
<i>Net Change in Fund Balances</i>	1,124,930	(12,656)	(165,345)	946,929
<i>Fund Balances Beginning of Year</i>	<u>9,173,808</u>	<u>241,776</u>	<u>4,357,400</u>	<u>13,772,984</u>
<i>Fund Balances End of Year</i>	<u>\$10,298,738</u>	<u>\$229,120</u>	<u>\$4,192,055</u>	<u>\$14,719,913</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, 2011*

Net Change in Fund Balances - Total Governmental Funds \$946,929

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

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

Capital Outlay	\$1,452,216	
Depreciation	(2,670,291)	
Total		(1,218,075)

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. (84,883)

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

Property Taxes	162,694	
Income Taxes	286,730	
Special Assessments	(69,834)	
Intergovernmental	(65,154)	
Total		314,436

OPWC proceeds are other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets and are not reported as revenues in the statement of activities. (518,349)

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. 722,062

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

Accrued Interest on Bonds	5,043	
Amortization of Premium	5,233	
Amortization of Discount	(2,589)	
Amortization of Loss on Refunding	(21,257)	
Amortization of Issuance Costs	(20,690)	
Total		(34,260)

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

Compensated Absences	60,892	
Vacation Benefits Payable	20,579	
Total		81,471

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	(40,069)	
Change in Internal Balance	6,476	
Total		(33,593)

Change in Net Assets of Governmental Activities \$175,738

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,322,920	\$2,322,920	\$2,217,431	(\$105,489)
Municipal Income Taxes	8,509,020	8,509,020	8,751,895	242,875
Charges for Services	621,450	622,675	660,211	37,536
Fees, Licenses and Permits	170,340	170,340	233,717	63,377
Fines and Forfeitures	1,582,700	1,582,700	1,492,312	(90,388)
Intergovernmental	1,882,613	1,741,425	1,890,828	149,403
Interest	78,109	78,109	12,223	(65,886)
Rentals	15,480	15,480	24,632	9,152
Other	34,000	34,000	50,933	16,933
<i>Total Revenues</i>	15,216,632	15,076,669	15,334,182	257,513
Expenditures				
Current:				
General Government	5,011,190	5,023,005	4,624,125	398,880
Security of Persons and Property:				
Police	1,857,022	1,869,017	1,813,158	55,859
Fire	251,573	244,493	226,694	17,799
Public Health and Welfare	52,595	52,595	52,592	3
Leisure Time Activities	223,635	230,470	134,420	96,050
Community Development	488,306	503,558	474,007	29,551
Basic Utility Services	687,500	687,500	686,387	1,113
Transportation	1,728,253	1,730,403	1,590,422	139,981
<i>Total Expenditures</i>	10,300,074	10,341,041	9,601,805	739,236
<i>Excess of Revenues Over Expenditures</i>	4,916,558	4,735,628	5,732,377	996,749
Other Financing Sources (Uses)				
Sale of Capital Assets	25,000	25,000	6,384	(18,616)
Advances In	144,905	744,905	667,500	(77,405)
Advances Out	0	(11,000)	(11,000)	0
Transfers Out	(3,838,790)	(3,899,469)	(3,874,469)	25,000
<i>Total Other Financing Sources (Uses)</i>	(3,668,885)	(3,140,564)	(3,211,585)	(71,021)
<i>Net Change in Fund Balance</i>	1,247,673	1,595,064	2,520,792	925,728
<i>Fund Balance Beginning of Year</i>	6,788,321	6,788,321	6,788,321	0
Prior Year Encumbrances Appropriated	61,696	61,696	61,696	0
<i>Fund Balance End of Year</i>	\$8,097,690	\$8,445,081	\$9,370,809	\$925,728

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$2,980,697	\$2,980,697	\$2,911,025	(\$69,672)
Fees, Licenses and Permits	85	85	50	(35)
Intergovernmental	454,006	444,006	360,119	(83,887)
Interest	1,000	1,000	4,977	3,977
Other	0	0	1,844	1,844
<i>Total Revenues</i>	<u>3,435,788</u>	<u>3,425,788</u>	<u>3,278,015</u>	<u>(147,773)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	2,994,490	3,054,645	3,049,905	4,740
Fire	3,410,616	3,458,416	3,392,903	65,513
<i>Total Expenditures</i>	<u>6,405,106</u>	<u>6,513,061</u>	<u>6,442,808</u>	<u>70,253</u>
<i>Excess of Revenues Under Expenditures</i>	(2,969,318)	(3,087,273)	(3,164,793)	(77,520)
Other Financing Sources				
Transfers In	3,176,350	3,176,350	3,176,350	0
<i>Net Change in Fund Balance</i>	207,032	89,077	11,557	(77,520)
<i>Fund Balance Beginning of Year</i>	744,970	744,970	744,970	0
Prior Year Encumbrances Appropriated	185	185	185	0
<i>Fund Balance End of Year</i>	<u>\$952,187</u>	<u>\$834,232</u>	<u>\$756,712</u>	<u>(\$77,520)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Enterprise			Internal Service
	Water	Wastewater	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,114,327	\$2,023,104	\$5,137,431	\$400,741
Accounts Receivable	1,268,743	458,401	1,727,144	0
Materials and Supplies Inventory	137,816	45,849	183,665	0
<i>Total Current Assets</i>	<u>4,520,886</u>	<u>2,527,354</u>	<u>7,048,240</u>	<u>400,741</u>
<i>Noncurrent Assets</i>				
Unamortized Bond Issuance Costs	87,788	55,733	143,521	0
Nondepreciable Capital Assets	170,574	547,288	717,862	0
Depreciable Capital Assets, Net	4,491,576	9,233,824	13,725,400	0
<i>Total Noncurrent Assets</i>	<u>4,749,938</u>	<u>9,836,845</u>	<u>14,586,783</u>	<u>0</u>
<i>Total Assets</i>	<u>9,270,824</u>	<u>12,364,199</u>	<u>21,635,023</u>	<u>400,741</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	634,753	24,331	659,084	1,263
Accrued Wages	17,559	25,790	43,349	0
Intergovernmental Payable	15,870	25,343	41,213	0
Vacation Benefits Payable	31,818	51,580	83,398	0
Compensated Absences Payable	1,235	27,711	28,946	0
Accrued Interest Payable	9,441	78,237	87,678	0
General Obligation Bonds Payable	262,200	80,000	342,200	0
OPWC Loans Payable	20,000	55,294	75,294	0
OWDA Loans Payable	0	905,047	905,047	0
Claims Payable	0	0	0	180,709
<i>Total Current Liabilities</i>	<u>992,876</u>	<u>1,273,333</u>	<u>2,266,209</u>	<u>181,972</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	53,423	51,505	104,928	0
General Obligation Bonds Payable	2,343,831	1,722,134	4,065,965	0
OPWC Loans Payable	330,000	687,536	1,017,536	0
OWDA Loans Payable	0	2,282,545	2,282,545	0
<i>Total Long-Term Liabilities</i>	<u>2,727,254</u>	<u>4,743,720</u>	<u>7,470,974</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,720,130</u>	<u>6,017,053</u>	<u>9,737,183</u>	<u>181,972</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	1,804,423	4,113,379	5,917,802	0
Unrestricted	3,746,271	2,233,767	5,980,038	218,769
<i>Total Net Assets</i>	<u>\$5,550,694</u>	<u>\$6,347,146</u>	<u>11,897,840</u>	<u>\$218,769</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:

(3,814)

Net assets of business-type activities

\$11,894,026

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, 2011*

	Enterprise			Internal Service
	Water	Wastewater	Total	
Operating Revenues				
Charges for Services	\$4,417,995	\$2,233,413	\$6,651,408	\$2,343,643
Other	27,249	0	27,249	24,515
<i>Total Operating Revenues</i>	<u>4,445,244</u>	<u>2,233,413</u>	<u>6,678,657</u>	<u>2,368,158</u>
Operating Expenses				
Personal Services	598,864	1,003,053	1,601,917	0
Contractual Services	3,130,453	5,199	3,135,652	320,522
Materials and Supplies	141,765	324,925	466,690	0
Depreciation	96,959	283,500	380,459	0
Claims	0	0	0	2,090,281
Other	167	1,575	1,742	0
<i>Total Operating Expenses</i>	<u>3,968,208</u>	<u>1,618,252</u>	<u>5,586,460</u>	<u>2,410,803</u>
<i>Operating Income (Loss)</i>	<u>477,036</u>	<u>615,161</u>	<u>1,092,197</u>	<u>(42,645)</u>
Non-Operating Revenues (Expenses)				
Interest	46,175	35,406	81,581	2,576
Municipal Income Taxes	0	291,679	291,679	0
Grants	428,182	0	428,182	0
Interest and Fiscal Charges	(161,386)	(336,559)	(497,945)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>312,971</u>	<u>(9,474)</u>	<u>303,497</u>	<u>2,576</u>
<i>Change in Net Assets</i>	790,007	605,687	1,395,694	(40,069)
<i>Net Assets Beginning of Year</i>	<u>4,760,687</u>	<u>5,741,459</u>		<u>258,838</u>
<i>Net Assets End of Year</i>	<u>\$5,550,694</u>	<u>\$6,347,146</u>		<u>\$218,769</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:

(6,476)

Change in net assets of business-type activities

\$1,389,218

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Enterprise			Internal Service
	Water	Wastewater	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,381,620	\$2,207,752	\$6,589,372	\$0
Cash Received from Interfund Services Provided	0	0	0	2,343,643
Other Cash Receipts	27,249	0	27,249	24,515
Cash Payments to Employees for Services	(587,199)	(996,076)	(1,583,275)	0
Cash Payments for Goods and Services	(3,342,215)	(427,847)	(3,770,062)	(319,259)
Cash Payments for Claims	0	0	0	(2,051,174)
Other Cash Payments	(167)	(1,575)	(1,742)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>479,288</u>	<u>782,254</u>	<u>1,261,542</u>	<u>(2,275)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from Municipal Income Taxes	<u>0</u>	<u>291,679</u>	<u>291,679</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Principal Paid on General Obligation Notes	(210,500)	(40,000)	(250,500)	0
Interest Paid on General Obligation Notes	(137,906)	(94,352)	(232,258)	0
Principal Paid on OWDA Loans	0	(864,063)	(864,063)	0
Interest Paid on OWDA Loans	0	(173,759)	(173,759)	0
Principal Paid on OPWC Loans	(20,000)	(55,294)	(75,294)	0
Payments for Capital Acquisitions	(389,336)	(714,582)	(1,103,918)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(757,742)</u>	<u>(1,942,050)</u>	<u>(2,699,792)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	<u>46,175</u>	<u>35,406</u>	<u>81,581</u>	<u>2,576</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(232,279)	(832,711)	(1,064,990)	301
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,346,606</u>	<u>2,855,815</u>	<u>6,202,421</u>	<u>400,440</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,114,327</u>	<u>\$2,023,104</u>	<u>\$5,137,431</u>	<u>\$400,741</u>

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2011

	Enterprise			Internal Service
	Water	Wastewater	Total	
Reconciliation of Operating Income				
(Loss) to Net Cash Provided by (Used for)				
Operating Activities				
Operating Income (Loss)	\$477,036	\$615,161	\$1,092,197	(\$42,645)
Adjustments:				
Depreciation	96,959	283,500	380,459	0
(Increase) Decrease in Assets:				
Accounts Receivable	(36,375)	(25,661)	(62,036)	0
Materials and Supplies Inventory	5,290	1,435	6,725	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(75,287)	(99,158)	(174,445)	1,263
Accrued Wages	2,342	612	2,954	0
Compensated Absences Payable	4,711	6,707	11,418	0
Vacation Benefits Payable	1,462	(4,272)	(2,810)	0
Intergovernmental Payable	3,150	3,930	7,080	0
Claims Payable	0	0	0	39,107
<i>Total Adjustments</i>	<u>2,252</u>	<u>167,093</u>	<u>169,345</u>	<u>40,370</u>
<i>Net Cash Provided by</i>				
<i>(Used for) Operating Activities</i>	<u>\$479,288</u>	<u>\$782,254</u>	<u>\$1,261,542</u>	<u>(\$2,275)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	\$37
Cash and Cash Equivalents in Segregated Accounts	<u>203,330</u>
<i>Total Assets</i>	<u><u>\$203,367</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$203,367</u></u>

See accompanying notes to the basic financial statements

NOTES TO

BASIC

FINANCIAL

STATEMENTS



BEDFORD Arts Presents... **THE BEDFORD AWANEGE**
Chalk Art

What: 2012 Chalk Art
When: Sat. June 2nd
Where: Broadway Ave.
"Business District"
Municipal Lot side
Time: 10:00—2:00
All ages are welcome

www.bedfordpooka.org

Visit us at... www.bedfordoh.gov

The flyer features a central image of six colorful chalk sticks (blue, pink, yellow, green, orange, and white) and three smaller images showing children drawing on the ground. A small logo of a pooka is at the bottom left.





City of BEDFORD, Ohio

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

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

Fund Accounting

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

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011, but which were levied to finance year 2012 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, 2011

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 interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City Treasury.

During 2011, investments were limited to repurchase agreements, nonnegotiable certificates of deposit, municipal bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, federal mortgage corporation notes, federal home loan bank bonds and STAR Ohio, the State Treasurer's Investment Pool.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$78,974, of which \$469 was assigned from other funds.

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

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Assets Held for Resale

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

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

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

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

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. The City records a liability for accumulated unused sick leave for all employees after ten years of service and for employees who have met retirement standards of age and/or years of service.

Accrued Liabilities and Long-term Obligations

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

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

Net Assets

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

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

Fund Balance

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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

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

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Operating Revenues and Expenses

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

Bond Issuance Costs

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Deferred Loss on Refunding

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

Bond Premiums and Discounts

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

Interfund Activity

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

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

Extraordinary and Special Items

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

Estimates

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 – Fund Balances

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

Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$34,914	\$0	\$0	\$34,914
Inventory	166,317	7,583	0	173,900
Cemetery Endowments	0	0	43,056	43,056
<i>Total Nonspendable</i>	<u>\$201,231</u>	<u>\$7,583</u>	<u>\$43,056</u>	<u>\$251,870</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Restricted for:</u>				
Public Safety	\$0	\$221,537	\$6,254	\$227,791
Community Development	0	0	627,065	627,065
State Highway	0	0	126,900	126,900
Indigent Drivers	0	0	118,501	118,501
Seale Narcotics	0	0	409,517	409,517
Enforcement and Education	0	0	1,407	1,407
Street Lighting	0	0	254,649	254,649
Street Construction, Maintenance and Repair	0	0	914,995	914,995
Municipal Court Special Programs	0	0	774,291	774,291
Indigent Interlock	0	0	35,227	35,227
Debt service payments	0	0	107,394	107,394
Capital Improvements	0	0	241,731	241,731
Other Purposes	0	0	96,628	96,628
<i>Total Restricted</i>	<u>0</u>	<u>221,537</u>	<u>3,714,559</u>	<u>3,936,096</u>
<u>Committed to:</u>				
Capital Improvements	0	0	311,465	311,465
Other Purposes	16,033	0	0	16,033
<i>Total Committed</i>	<u>16,033</u>	<u>0</u>	<u>311,465</u>	<u>327,498</u>
<u>Assigned to:</u>				
Loans Receivable	0	0	25,000	25,000
Capital Improvements	0	0	120,418	120,418
Other Purposes	61,663	0	0	61,663
<i>Total Assigned</i>	<u>61,663</u>	<u>0</u>	<u>145,418</u>	<u>207,081</u>
Unassigned (Deficit)	<u>10,019,811</u>	<u>0</u>	<u>(22,443)</u>	<u>9,997,368</u>
Total Fund Balances	<u><u>\$10,298,738</u></u>	<u><u>\$229,120</u></u>	<u><u>\$4,192,055</u></u>	<u><u>\$14,719,913</u></u>

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 public safety funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

City of Bedford, Ohio
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3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
7. Budgetary revenues and expenditures of the enterprise zone, cemetery and recreation funds are classified to the general fund for GAAP reporting.

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

Net Change in Fund Balances General and Public Safety Special Revenue Funds		
	General	Public Safety
GAAP Basis	\$1,124,930	(\$12,656)
Net Adjustment for Revenue Accruals	861,277	0
Beginning Fair Value of Adjustments for Investments	(64,074)	0
Ending Fair Value of Adjustments for Investments	(4,273)	0
Beginning Unrecorded Cash	118,754	0
Ending Unrecorded Cash	(120,356)	0
Net Adjustment for Expenditure Accruals	20,233	45,522
Advances In	667,500	0
Advances Out	(11,000)	0
Excess of Revenues Over (Under) Expenditures		
Enterprise Zone	(2,496)	0
Cemetery	(17,259)	0
Recreation	27,688	0
Encumbrances	(80,132)	(21,309)
Budget Basis	\$2,520,792	\$11,557

Note 5 - Deposits and Investments

The City has chosen to follow State statute and classify monies held by the City 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.

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

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

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

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

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

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

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

City of Bedford, Ohio
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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, \$3,406,783 of the City's bank balance of \$5,442,654 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, 2011, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>	<u>Moody Rating</u>	<u>Percent of Total Investments</u>
Repurchase Agreements	\$9,749,947	Less than 30 days	AAAm	69.30%
Municipal Bonds	1,008,231	Less than three years	AAA	7.17%
Federal Home Loan Mortgage Corporation Notes	500,000	Less than five years	AAA	3.55%
Federal National Mortgage Association Notes	900,000	Less than five years	AAA	6.40%
Federal Mortgage Corporation Notes	300,000	Less than five years	AAA	2.13%
Federal Home Loan Bank Bonds	1,300,000	Less than five years	AAA	9.24%
STAR Ohio	<u>311,788</u>	58 days	AAAm	N/A
Total Investments	<u>\$14,069,966</u>			

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy

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For the Year Ended December 31, 2011

dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

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

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

Note 6 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2011.

Litigation

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

Investigation

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

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

Note 7 - Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, accrued interest on investments, and accounts (billings for utility service).

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

City of Bedford, Ohio
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Special assessments expected to be collected in more than one year amount to \$397,580 in the special assessment bond retirement fund. At December 31, 2011, the amount of delinquent special assessments was \$400,948.

The loans receivable at December 31, 2011, are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program. The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. Loans expected to be collected in more than one year amount to \$25,000.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$21.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$151,467,810
Commercial Industrial/Public Utility	109,940,100
Tangible Personal Property	
Public Utility	<u>7,037,960</u>
Total	<u><u>\$268,445,870</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

Income Taxes

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

City of Bedford, Ohio
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another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$404,728
Homestead and Rollback	282,950
Gasoline Tax	211,087
Grants	117,921
Estate Tax	117,327
Permissive Tax	40,609
Motor Vehicle License Tax	<u>36,869</u>
Total Governmental Activities	<u><u>\$1,211,491</u></u>

Note 8 – Compensated Absences

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

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

Note 9 – Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During fiscal year 2011, the City sold one home. As of December 31, 2011, the City has ten homes remaining which are being held for resale.

Note 10 – Accountability

At December 31, 2011, the HUD Rehabilitation Program special revenue fund had a deficit fund balance of \$22,443. The deficit is the result of the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

City of Bedford, Ohio
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Note 11 - Interfund Transfers and Balances

Interfund Transfers

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Major Funds:			
Public Safety	\$3,176,350	\$0	\$3,176,350
Other Governmental Funds:			
Community Development Block Grant	53,599	0	53,599
Street Construction, Maintenance and Repair	275,000	0	275,000
Grants	15,000	0	15,000
General Obligation Bond Retirement	319,520	144,400	463,920
Capital Improvement	35,000	0	35,000
Total Other Governmental Funds	698,119	144,400	842,519
Total	\$3,874,469	\$144,400	\$4,018,869

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

Interfund Balances

The interfund balance at December 31, 2011, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$473,500. These loans were made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Note 12 – Capital Assets

A summary of changes in capital assets during 2011 follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,908,079	\$0	\$0	\$2,908,079
Construction in Progress	37,319	102,036	(24,856)	114,499
Total Capital Assets Not Being Depreciated	\$2,945,398	\$102,036	(\$24,856)	\$3,022,578

City of Bedford, Ohio
Notes to the Basic Financial Statements
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	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	\$17,672,063	\$6,816	(\$70,090)	\$17,608,789
Machinery and Equipment	4,070,494	219,423	(100,685)	4,189,232
Furniture and Fixtures	933,732	33,314	0	967,046
Vehicles	4,273,289	238,267	(91,443)	4,420,113
Infrastructure:				
Roads	40,511,838	148,069	(294,818)	40,365,089
Traffic Signals	1,588,375	0	0	1,588,375
Rubberized Railroad Crossings	28,478	0	0	28,478
Storm Sewers	2,754,642	729,147	0	3,483,789
<i>Total Capital Assets Being Depreciated</i>	<u>71,832,911</u>	<u>1,375,036</u>	<u>(557,036)</u>	<u>72,650,911</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(3,326,368)	(382,694)	31,054	(3,678,008)
Machinery and Equipment	(2,967,497)	(208,624)	54,838	(3,121,283)
Furniture and Fixtures	(814,560)	(19,537)	0	(834,097)
Vehicles	(3,200,360)	(238,170)	91,443	(3,347,087)
Infrastructure:				
Roads	(28,579,167)	(1,699,998)	294,818	(29,984,347)
Traffic Signals	(528,242)	(63,535)	0	(591,777)
Rubberized Railroad Crossings	(12,460)	(1,424)	0	(13,884)
Storm Sewers	(845,748)	(56,309)	0	(902,057)
<i>Total Accumulated Depreciation</i>	<u>(40,274,402)</u>	<u>(2,670,291) *</u>	<u>472,153</u>	<u>(42,472,540)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>31,558,509</u>	<u>(1,295,255)</u>	<u>(84,883)</u>	<u>30,178,371</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$34,503,907</u>	<u>(\$1,193,219)</u>	<u>(\$109,739)</u>	<u>\$33,200,949</u>
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	436,367	612,621	(359,746)	689,242
<i>Total Capital Assets Not Being Depreciated</i>	<u>464,987</u>	<u>612,621</u>	<u>(359,746)</u>	<u>717,862</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	10,043,169	80,619	0	10,123,788
Machinery and Equipment	6,347,878	90,518	0	6,438,396
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	456,977	104,033	0	561,010
Infrastructure:				
Water Lines	4,735,320	575,873	0	5,311,193
Sanitary Sewer Lines	3,153,541	0	0	3,153,541
<i>Total Capital Assets Being Depreciated</i>	<u>\$24,830,657</u>	<u>\$851,043</u>	<u>\$0</u>	<u>\$25,681,700</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Business-Type Activities (continued)				
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(\$3,363,852)	(\$199,673)	\$0	(\$3,563,525)
Machinery and Equipment	(6,190,223)	(32,848)	0	(6,223,071)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(234,588)	(40,187)	0	(274,775)
Infrastructure:				
Water Lines	(908,147)	(69,193)	0	(977,340)
Sanitary Sewer Lines	(785,259)	(38,558)	0	(823,817)
<i>Total Accumulated Depreciation</i>	<u>(11,575,841)</u>	<u>(380,459)</u>	<u>0</u>	<u>(11,956,300)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>13,254,816</u>	<u>470,584</u>	<u>0</u>	<u>13,725,400</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$13,719,803</u>	<u>\$1,083,205</u>	<u>(\$359,746)</u>	<u>\$14,443,262</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$258,235
Security of Persons and Property	
Police	144,886
Fire	176,044
Public Health and Welfare	497
Leisure Time Activities	105,928
Community Development	9,525
Transportation	<u>1,975,176</u>
Total	<u>\$2,670,291</u>

Note 13 - Capital Leases

In prior years, the City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2011 follows:

	<u>Amounts</u>
Asset:	
Equipment	\$57,495
Less: Accumulated Depreciation	<u>(41,157)</u>
Current Book Value	<u>\$16,338</u>

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:

City of Bedford, Ohio
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For the Year Ended December 31, 2011

<u>Year Ending December 31,</u>	
2012	\$7,980
2013	<u>4,935</u>
Present Value of Minimum Lease	<u><u>\$12,915</u></u>

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 - 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:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental Activities				
<i>General Obligation Bonds</i>				
Various Purpose	2006	2027	4.00-4.125 %	\$8,929,000
City Hall (Refunded \$3,035,000)	2002	2016	3.0-5.0	5,200,000
City Hall Court (Refunded \$905,000)	2002	2019	1.7-5.0	2,000,000
Capital Improvements	2010	2031	2.3-5.65	2,145,000
<i>Special Assessment Bonds</i>				
Northfield and Rockside Resurfacing	1993	2012	6.50-6.40	250,000
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<i>Ohio Public Works Commission Loans</i>				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
Broadway Culvert	2011	2031	0.00	N/A
<i>Police Pension</i>	1968	2035	4.25	245,922
Business-Type Activities				
<i>General Obligation Bonds</i>				
<i>Water</i>				
Water Refunding #1	2002	2017	1.45-4.65	690,000
Water Refunding #2	2002	2012	1.45-3.95	1,165,000
Washington Street Water	2006	2026	4.00-4.125	646,000
Capital Improvements	2010	2036	2.3-5.65	1,625,000
<i>Wastewater</i>				
Sewer Improvement Refunding Bonds	2006	2022	4.00-4.125	315,000
Sewer Improvement (Refunded \$290,000)	2002	2016	3.00-5.00	725,000
Capital Improvements	2010	2036	2.3-5.65	1,320,000
<i>Ohio Water Development Loans</i>				
<i>Wastewater</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	2023	3.90	2,427,022

City of Bedford, Ohio
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For the Year Ended December 31, 2011

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

Changes in long-term obligations during the year ended December 31, 2011, consisted of the following:

	Balance 12/31/10	Increase	Decrease	Balance 12/31/11	Amounts Due in One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
Various Purpose Bonds	\$8,349,100	\$0	\$359,500	\$7,989,600	\$367,800
Premium on Various Purpose Bonds	48,186	0	2,862	45,324	0
Discount on Various Purpose Bonds	(43,588)	0	(2,589)	(40,999)	0
Loss on Refunding	(357,826)	0	(21,257)	(336,569)	0
Total Various Purpose Bonds	7,995,872	0	338,516	7,657,356	367,800
City Hall	1,110,000	0	165,000	945,000	175,000
City Hall Court	690,000	0	65,000	625,000	65,000
<i>Capital Improvement Bonds</i>					
Serial	1,295,000	0	0	1,295,000	135,000
Build America Bonds - Term	850,000	0	0	850,000	0
Premium on Capital Improvement Bonds	22,920	0	2,371	20,549	0
Total Capital Improvement Bonds	2,167,920	0	2,371	2,165,549	135,000
Total General Obligation Bonds	11,963,792	0	570,887	11,392,905	742,800
<i>Special Assessment Bonds</i>					
Northfield and Rockside Resurfacing	40,000	0	20,000	20,000	20,000
Northfield and Rockside Resurfacing #2	270,000	0	50,000	220,000	50,000
Total Special Assessment Bonds	310,000	0	70,000	240,000	70,000
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	77,910	0	22,260	55,650	22,260
Wandle Avenue	259,289	0	25,929	233,360	25,929
Broadway Culvert	0	518,349	0	518,349	25,917
Total Ohio Public Works Commission Loans	337,199	518,349	48,189	807,359	74,106
<i>Other Long-Term Obligations</i>					
Police Pension	185,871	0	4,443	181,428	4,634
Capital Leases Payable	22,845	0	9,930	12,915	7,980
Compensated Absences Payable	1,397,189	338,164	399,056	1,336,297	503,003
Total Other Long-Term Obligations	1,605,905	338,164	413,429	1,530,640	515,617
Total Governmental Activities	\$14,216,896	\$856,513	\$1,102,505	\$13,970,904	\$1,402,523

City of Bedford, Ohio
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	Balance 12/31/10	Increase	Decrease	Balance 12/31/11	Amounts Due in One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$370,000	\$0	\$50,000	\$320,000	\$50,000
Unamortized Loss	(14,297)	0	(2,043)	(12,254)	0
Total Water Refunding #1	355,703	0	47,957	307,746	50,000
Water Refunding #2	275,000	0	135,000	140,000	140,000
Unamortized Loss	(9,222)	0	(4,612)	(4,610)	0
Total Water Refunding #2	265,778	0	130,388	135,390	140,000
Washington Street Water	555,900	0	25,500	530,400	27,200
Unamortized Premium	3,563	0	212	3,351	0
Unamortized Discount	(3,212)	0	(191)	(3,021)	0
Total Washington Street Water	556,251	0	25,521	530,730	27,200
<i>Capital Improvement Bonds</i>					
Serial	455,000	0	0	455,000	45,000
Build America Bonds - Term	1,170,000	0	0	1,170,000	0
Unamortized Premium	7,992	0	827	7,165	0
Total Capital Improvement - Water	1,632,992	0	827	1,632,165	45,000
Sewer Improvement Refunding	310,000	0	5,000	305,000	5,000
Unamortized Premium	966	0	58	908	0
Unamortized Discount	(641)	0	(38)	(603)	0
Unamortized Loss	(15,034)	0	(893)	(14,141)	0
Total Sewer Improvement Refunding	295,291	0	4,127	291,164	5,000
Sewer Improvement	220,000	0	35,000	185,000	35,000
<i>Capital Improvement Bonds</i>					
Serial	375,000	0	0	375,000	40,000
Build America Bonds - Term	945,000	0	0	945,000	0
Unamortized Premium	6,659	0	689	5,970	0
Total Capital Improvement - Sewer	1,326,659	0	689	1,325,970	40,000
<i>Total General Obligation Bonds</i>	4,652,674	0	244,509	4,408,165	342,200
<i>OWDA Loans</i>					
Sewer System	2,381,943	0	756,568	1,625,375	793,319
Unamortized Loss	(184,399)	0	(73,762)	(110,637)	0
Total Sewer System	2,197,544	0	682,806	1,514,738	793,319
Rapid Sandfilter	1,780,349	0	107,495	1,672,854	111,728
<i>Total OWDA Loans</i>	\$3,977,893	\$0	\$790,301	\$3,187,592	\$905,047

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/10	Increase	Decrease	Balance 12/31/11	Amounts Due in One Year
Business-Type Activities					
<i>OPWC Loans</i>					
Northfield Road Water Line	\$370,000	\$0	\$20,000	\$350,000	\$20,000
Flow Control	16,655	0	4,163	12,492	4,163
Oxidation Tower Improvements	596,158	0	41,114	555,044	41,114
Sludge Thickener	185,311	0	10,017	175,294	10,017
<i>Total OPWC Loans</i>	<u>1,168,124</u>	<u>0</u>	<u>75,294</u>	<u>1,092,830</u>	<u>75,294</u>
<i>Other Long-Term Liabilities</i>					
Compensated Absences	122,456	26,707	15,289	133,874	28,946
<i>Total Business-Type Activities</i>	<u>\$9,921,147</u>	<u>\$26,707</u>	<u>\$1,125,393</u>	<u>\$8,822,461</u>	<u>\$1,351,487</u>

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

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

A line of credit has been established with the Ohio Public Works Commission in the amount of \$518,349 for improvements to the Broadway Culvert; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. This loan will be paid from the bond retirement debt service fund.

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

In 2003, the City defeased a 1991 water construction mortgage revenue bond issue and a 1997 water construction general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2011, \$455,000 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, 2011, \$6,840,000 of the defeased bonds are still outstanding.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City has pledged future revenues, net of operating expenses, to repay OWDA and OPWC loans in the wastewater fund. The debt is payable solely from net revenues through 2029. Annual principal and interest payments on the debt issues are expected to require .85 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$4,927,382. Principal and interest paid for the current year and total net revenues available were \$1,093,116 and \$934,067, respectively.

The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the water fund. The debt is payable solely from net revenues through 2029. Annual principal payments on the debt issues are expected to require 31.01 percent of net revenues. The total principal remaining to be paid on the debt is \$350,000. Principal paid for the current year and total net revenues available were \$20,000 and \$620,170, respectively.

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's overall legal debt margin was \$23,459,472 at December 31, 2011. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2011, are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$607,800	\$389,409	\$70,000	\$14,700	\$4,634	\$7,662	\$48,189
2013	632,800	364,780	55,000	10,370	4,833	7,463	48,189
2014	666,100	338,840	55,000	7,015	5,041	7,255	37,059
2015	684,400	311,286	60,000	3,660	5,257	7,039	25,929
2016	709,400	282,673	0	0	5,483	6,813	25,929
2017-2021	3,216,600	963,691	0	0	31,159	30,323	103,715
2022-2026	2,552,500	415,283	0	0	38,449	23,031	0
2027-2031	490,000	20,212	0	0	47,449	14,064	0
2032-2035	0	0	0	0	39,123	3,360	0
Total	\$9,559,600	\$3,086,174	\$240,000	\$35,745	\$181,428	\$107,010	\$289,010

Year	Build America Bonds (BABs)			
	Serial and Term			
	Principal	Interest	Subsidy	Total
2012	\$135,000	\$70,253	(\$14,592)	\$190,661
2013	135,000	67,552	(14,591)	187,961
2014	135,000	64,853	(14,592)	185,261
2015	140,000	62,152	(14,591)	187,561
2016	145,000	59,353	(14,592)	189,761
2017-2021	765,000	246,875	(72,958)	938,917
2022-2026	640,000	111,312	(38,959)	712,353
2027-2031	50,000	8,275	(2,896)	55,379
Total	\$2,145,000	\$690,625	(\$187,771)	\$2,647,854

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loan
2012	\$257,200	\$60,896	\$905,047	\$132,774	\$75,294
2013	112,200	50,633	948,185	89,639	75,295
2014	113,900	45,978	120,701	55,189	75,295
2015	125,600	39,981	125,455	50,436	71,131
2016	130,600	35,765	130,395	45,495	71,131
2017-2021	473,400	106,574	733,166	146,288	355,656
2022-2026	267,500	28,380	335,280	16,502	293,985
2027-2029	0	0	0	0	75,043
Total	<u>\$1,480,400</u>	<u>\$368,207</u>	<u>\$3,298,229</u>	<u>\$536,323</u>	<u>\$1,092,830</u>

Capital Improvement Bonds - Build America Bonds (BABs)

Year	Serial and Term			Total
	Principal	Interest	Subsidy	
2012	\$85,000	\$131,682	(\$39,675)	\$177,007
2013	85,000	129,983	(39,675)	175,308
2014	90,000	128,282	(39,675)	178,607
2015	90,000	126,483	(39,675)	176,808
2016	90,000	124,682	(39,675)	175,007
2017-2021	490,000	591,813	(198,376)	883,437
2022-2026	560,000	491,500	(172,025)	879,475
2027-2031	665,000	336,078	(117,627)	883,451
2032-2036	790,000	137,295	(48,054)	879,241
Total	<u>\$2,945,000</u>	<u>\$2,197,798</u>	<u>(\$734,457)</u>	<u>\$4,408,341</u>

Note 15 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010 and 2009 were \$645,200, \$570,404 and \$445,897, respectively. For 2011, 85.17 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$6,616 made by the City and \$4,726 made by plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$324,035 and \$352,786 for the year ended December 31, 2011, \$328,694 and \$355,107 for the year ended December 31, 2010, and \$302,735 and \$326,883 for the year ended December 31, 2009, respectively. For 2011, 69.89 percent for police and 67.16 percent for

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Note 16 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010 and 2009 were \$258,080, \$326,162 and \$380,091, respectively. For 2011, 85.17 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$171,548 and \$138,047 for the year ended December 31, 2011, \$174,015 and \$138,955 for the year ended December 31, 2010, and \$173,912 and \$135,782 for the year ended December 31, 2009. For 2011, 69.89 percent has been contributed for police and 67.16 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Note 17 - Risk Management

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

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

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

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

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

The claims liability of \$180,709 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2011, 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,

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2010 and 2011 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$160,661	\$1,654,780	\$1,673,839	\$141,602
2011	141,602	2,090,281	2,051,174	180,709

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

Note 18 – Change in Accounting Principles

For 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 59, "Financial Instruments Omnibus". GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City's financial statements.

COMBINING

SECTION





City of BEDFORD, Ohio

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Enterprise Zone Fund - To account for and report monies collected from a contract with the City of Solon used to promote development for the City of Bedford. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Cemetery Fund - To account for and report the operation and maintenance of City owned cemeteries. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Recreation Fund - To account for and report the receipts of recreation activity fees to pay for the costs of operating the City's recreation programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,811,931	\$107,394	\$928,578	\$3,847,903
Property Taxes Receivable	0	266,114	0	266,114
Intergovernmental Receivable	374,247	13,039	32,239	419,525
Loans Receivable	0	0	50,000	50,000
Special Assessments Receivable	300,606	397,580	74,615	772,801
Assets Held for Resale	963,546	0	0	963,546
<i>Total Assets</i>	<u>\$4,450,330</u>	<u>\$784,127</u>	<u>\$1,085,432</u>	<u>\$6,319,889</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$79,763	\$0	\$32,203	\$111,966
Accrued Wages	5,330	0	0	5,330
Intergovernmental Payable	5,504	0	0	5,504
Interfund Payable	473,500	0	0	473,500
Deferred Revenue	500,186	676,733	354,615	1,531,534
<i>Total Liabilities</i>	<u>1,064,283</u>	<u>676,733</u>	<u>386,818</u>	<u>2,127,834</u>
Fund Balances				
Nonspendable	43,056	0	0	43,056
Restricted	3,365,434	107,394	241,731	3,714,559
Committed	0	0	311,465	311,465
Assigned	0	0	145,418	145,418
Unassigned (Deficit)	(22,443)	0	0	(22,443)
<i>Total Fund Balances</i>	<u>3,386,047</u>	<u>107,394</u>	<u>698,614</u>	<u>4,192,055</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,450,330</u>	<u>\$784,127</u>	<u>\$1,085,432</u>	<u>\$6,319,889</u>

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Property Taxes	\$0	\$8,480	\$0	\$8,480
Municipal Income Taxes	0	680,703	0	680,703
Charges for Services	450	0	0	450
Fines and Forfeitures	194,033	0	73,281	267,314
Intergovernmental	1,020,628	0	97,583	1,118,211
Special Assessments	290,741	96,807	0	387,548
Contributions and Donations	48,317	0	0	48,317
Interest	12,318	3,190	6,728	22,236
Other	301,427	17,917	14,000	333,344
<i>Total Revenues</i>	<u>1,867,914</u>	<u>807,097</u>	<u>191,592</u>	<u>2,866,603</u>
Expenditures				
Current:				
General Government	76,049	0	0	76,049
Security of Persons and Property:				
Police	434,792	0	0	434,792
Fire	22,820	0	0	22,820
Public Health and Welfare	27,537	0	0	27,537
Leisure Time Activities	16,922	0	0	16,922
Community Development	118,212	0	0	118,212
Basic Utility Services	322,092	0	0	322,092
Transportation	810,485	0	0	810,485
Capital Outlay	0	0	1,230,803	1,230,803
Debt Service:				
Principal Retirement	0	707,689	0	707,689
Interest and Fiscal Charges	0	518,309	0	518,309
<i>Total Expenditures</i>	<u>1,828,909</u>	<u>1,225,998</u>	<u>1,230,803</u>	<u>4,285,710</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>39,005</u>	<u>(418,901)</u>	<u>(1,039,211)</u>	<u>(1,419,107)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	37,294	0	0	37,294
OPWC Loans Issued	0	0	518,349	518,349
Transfers In	343,599	463,920	35,000	842,519
Transfers Out	(144,400)	0	0	(144,400)
<i>Total Other Financing Sources (Uses)</i>	<u>236,493</u>	<u>463,920</u>	<u>553,349</u>	<u>1,253,762</u>
<i>Net Change in Fund Balances</i>	275,498	45,019	(485,862)	(165,345)
<i>Fund Balances Beginning of Year</i>	<u>3,110,549</u>	<u>62,375</u>	<u>1,184,476</u>	<u>4,357,400</u>
<i>Fund Balances End of Year</i>	<u>\$3,386,047</u>	<u>\$107,394</u>	<u>\$698,614</u>	<u>\$4,192,055</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Community Development Block Grant	State Highway	Indigent Drivers
Assets			
Equity in Pooled Cash and Cash Equivalents	\$90,186	\$132,940	\$118,377
Intergovernmental Receivable	47,192	18,569	4,289
Special Assessments Receivable	0	0	0
Assets Held for Resale	590,799	0	0
<i>Total Assets</i>	<u>\$728,177</u>	<u>\$151,509</u>	<u>\$122,666</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$21,112	\$11,770	\$4,165
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	80,000	0	0
Deferred Revenue	0	12,839	0
<i>Total Liabilities</i>	<u>101,112</u>	<u>24,609</u>	<u>4,165</u>
Fund Balances			
Nonspendable	0	0	0
Restricted	627,065	126,900	118,501
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances</i>	<u>627,065</u>	<u>126,900</u>	<u>118,501</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$728,177</u>	<u>\$151,509</u>	<u>\$122,666</u>

<u>SEAL Narcotics</u>	<u>Enforcement and Education</u>	<u>Street Lighting</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
\$381,524	\$1,407	\$280,131	\$685,630	\$6,254
27,993	0	0	229,387	0
0	0	300,606	0	0
0	0	0	0	0
<u>\$409,517</u>	<u>\$1,407</u>	<u>\$580,737</u>	<u>\$915,017</u>	<u>\$6,254</u>
\$0	\$0	\$25,482	\$9,188	\$0
0	0	0	5,330	0
0	0	0	5,504	0
0	0	0	0	0
0	0	300,606	158,716	0
<u>0</u>	<u>0</u>	<u>326,088</u>	<u>178,738</u>	<u>0</u>
0	0	0	0	0
409,517	1,407	254,649	736,279	6,254
0	0	0	0	0
<u>409,517</u>	<u>1,407</u>	<u>254,649</u>	<u>736,279</u>	<u>6,254</u>
<u>\$409,517</u>	<u>\$1,407</u>	<u>\$580,737</u>	<u>\$915,017</u>	<u>\$6,254</u>

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2011

	Motor Vehicle License	Grants	Municipal Court Special Programs
Assets			
Equity in Pooled Cash and Cash Equivalents	\$166,132	\$92,220	\$774,291
Intergovernmental Receivable	40,609	6,208	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	0	0	0
<i>Total Assets</i>	<u>\$206,741</u>	<u>\$98,428</u>	<u>\$774,291</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$1,800	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
Deferred Revenue	28,025	0	0
<i>Total Liabilities</i>	<u>28,025</u>	<u>1,800</u>	<u>0</u>
Fund Balances			
Nonspendable	0	0	0
Restricted	178,716	96,628	774,291
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances</i>	<u>178,716</u>	<u>96,628</u>	<u>774,291</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$206,741</u>	<u>\$98,428</u>	<u>\$774,291</u>

HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$4,556	\$35,227	\$43,056	\$2,811,931
0	0	0	374,247
0	0	0	300,606
372,747	0	0	963,546
<u>\$377,303</u>	<u>\$35,227</u>	<u>\$43,056</u>	<u>\$4,450,330</u>
\$6,246	\$0	\$0	\$79,763
0	0	0	5,330
0	0	0	5,504
393,500	0	0	473,500
0	0	0	500,186
<u>399,746</u>	<u>0</u>	<u>0</u>	<u>1,064,283</u>
0	0	43,056	43,056
0	35,227	0	3,365,434
(22,443)	0	0	(22,443)
<u>(22,443)</u>	<u>35,227</u>	<u>43,056</u>	<u>3,386,047</u>
<u>\$377,303</u>	<u>\$35,227</u>	<u>\$43,056</u>	<u>\$4,450,330</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, 2011

	Community Development Block Grant	State Highway	Indigent Drivers	SEAL Narcotics
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0
Intergovernmental	133,616	39,467	25,779	249,007
Special Assessments	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	779	694	0
Other	0	0	0	301,277
<i>Total Revenues</i>	<u>133,616</u>	<u>40,246</u>	<u>26,473</u>	<u>550,284</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	332,974
Fire	0	0	0	0
Public Health and Welfare	0	0	27,537	0
Leisure Time Activities	0	0	0	0
Community Development	81,895	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	70,748	0	0
<i>Total Expenditures</i>	<u>81,895</u>	<u>70,748</u>	<u>27,537</u>	<u>332,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>51,721</u>	<u>(30,502)</u>	<u>(1,064)</u>	<u>217,310</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	53,599	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>53,599</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	105,320	(30,502)	(1,064)	217,310
<i>Fund Balances Beginning of Year</i>	<u>521,745</u>	<u>157,402</u>	<u>119,565</u>	<u>192,207</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$627,065</u></u>	<u><u>\$126,900</u></u>	<u><u>\$118,501</u></u>	<u><u>\$409,517</u></u>

Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair	Law Enforcement Trust	Motor Vehicle License	Grants	Municipal Court Special Programs
\$0	\$0	\$0	\$0	\$0	\$450	\$0
0	0	0	0	0	0	179,089
816	0	488,262	0	83,681	0	0
0	290,741	0	0	0	0	0
0	0	0	0	0	48,317	0
6	1,677	3,551	78	861	0	4,504
0	0	100	0	0	0	0
<u>822</u>	<u>292,418</u>	<u>491,913</u>	<u>78</u>	<u>84,542</u>	<u>48,767</u>	<u>183,593</u>
0	0	0	0	0	65,104	10,945
0	0	0	17,585	0	84,233	0
0	0	0	0	0	22,820	0
0	0	0	0	0	0	0
0	0	0	0	0	16,922	0
0	0	0	0	0	0	0
0	322,092	0	0	0	0	0
0	0	663,954	0	75,783	0	0
<u>0</u>	<u>322,092</u>	<u>663,954</u>	<u>17,585</u>	<u>75,783</u>	<u>189,079</u>	<u>10,945</u>
<u>822</u>	<u>(29,674)</u>	<u>(172,041)</u>	<u>(17,507)</u>	<u>8,759</u>	<u>(140,312)</u>	<u>172,648</u>
0	0	37,294	0	0	0	0
0	0	275,000	0	0	15,000	0
0	0	0	0	0	0	(144,400)
<u>0</u>	<u>0</u>	<u>312,294</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>(144,400)</u>
822	(29,674)	140,253	(17,507)	8,759	(125,312)	28,248
<u>585</u>	<u>284,323</u>	<u>596,026</u>	<u>23,761</u>	<u>169,957</u>	<u>221,940</u>	<u>746,043</u>
<u>\$1,407</u>	<u>\$254,649</u>	<u>\$736,279</u>	<u>\$6,254</u>	<u>\$178,716</u>	<u>\$96,628</u>	<u>\$774,291</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, 2011

	HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Trust	Total Nonmajor Special Revenue Funds
Revenues				
Charges for Services	\$0	\$0	\$0	\$450
Fines and Forfeitures	0	14,944	0	194,033
Intergovernmental	0	0	0	1,020,628
Special Assessments	0	0	0	290,741
Contributions and Donations	0	0	0	48,317
Interest	0	168	0	12,318
Other	0	0	50	301,427
<i>Total Revenues</i>	<u>0</u>	<u>15,112</u>	<u>50</u>	<u>1,867,914</u>
Expenditures				
Current:				
General Government	0	0	0	76,049
Security of Persons and Property:				
Police	0	0	0	434,792
Fire	0	0	0	22,820
Public Health and Welfare	0	0	0	27,537
Leisure Time Activities	0	0	0	16,922
Community Development	36,317	0	0	118,212
Basic Utility Services	0	0	0	322,092
Transportation	0	0	0	810,485
<i>Total Expenditures</i>	<u>36,317</u>	<u>0</u>	<u>0</u>	<u>1,828,909</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(36,317)</u>	<u>15,112</u>	<u>50</u>	<u>39,005</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	37,294
Transfers In	0	0	0	343,599
Transfers Out	0	0	0	(144,400)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,493</u>
<i>Net Change in Fund Balances</i>	(36,317)	15,112	50	275,498
<i>Fund Balances Beginning of Year</i>	<u>13,874</u>	<u>20,115</u>	<u>43,006</u>	<u>3,110,549</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$22,443)</u>	<u>\$35,227</u>	<u>\$43,056</u>	<u>\$3,386,047</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$42,256	\$65,138	\$107,394
Property Taxes Receivable	266,114	0	266,114
Intergovernmental Receivable	13,039	0	13,039
Special Assessments Receivable	0	397,580	397,580
<i>Total Assets</i>	<u>\$321,409</u>	<u>\$462,718</u>	<u>\$784,127</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$279,153	\$397,580	\$676,733
Fund Balances			
Restricted	42,256	65,138	107,394
<i>Total Liabilities and Fund Balances</i>	<u>\$321,409</u>	<u>\$462,718</u>	<u>\$784,127</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, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$8,480	\$0	\$8,480
Municipal Income Taxes	680,703	0	680,703
Special Assessments	0	96,807	96,807
Interest	2,746	444	3,190
Other	17,917	0	17,917
<i>Total Revenues</i>	<u>709,846</u>	<u>97,251</u>	<u>807,097</u>
Expenditures			
Debt Service:			
Principal Retirement	637,689	70,000	707,689
Interest and Fiscal Charges	499,279	19,030	518,309
<i>Total Expenditures</i>	<u>1,136,968</u>	<u>89,030</u>	<u>1,225,998</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(427,122)	8,221	(418,901)
Other Financing Sources			
Transfers In	463,920	0	463,920
<i>Net Change in Fund Balances</i>	36,798	8,221	45,019
<i>Fund Balances Beginning of Year</i>	<u>5,458</u>	<u>56,917</u>	<u>62,375</u>
<i>Fund Balances End of Year</i>	<u><u>\$42,256</u></u>	<u><u>\$65,138</u></u>	<u><u>\$107,394</u></u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Municipal Court Improvement	Capital Improvement	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$241,731	\$686,847	\$928,578
Intergovernmental Receivable	0	32,239	32,239
Loans Receivable	0	50,000	50,000
Special Assessments Receivable	0	74,615	74,615
<i>Total Assets</i>	<u>\$241,731</u>	<u>\$843,701</u>	<u>\$1,085,432</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$32,203	\$32,203
Deferred Revenue	0	354,615	354,615
<i>Total Liabilities</i>	<u>0</u>	<u>386,818</u>	<u>386,818</u>
Fund Balances			
Restricted	241,731	0	241,731
Committed	0	311,465	311,465
Assigned	0	145,418	145,418
<i>Total Fund Balances</i>	<u>241,731</u>	<u>456,883</u>	<u>698,614</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$241,731</u>	<u>\$843,701</u>	<u>\$1,085,432</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, 2011

	Municipal Court Improvement	Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues			
Fines and Forfeitures	\$73,281	\$0	\$73,281
Intergovernmental	0	97,583	97,583
Interest	1,613	5,115	6,728
Other	0	14,000	14,000
<i>Total Revenues</i>	74,894	116,698	191,592
Expenditures			
Capital Outlay	197,067	1,033,736	1,230,803
<i>Excess of Revenues Under Expenditures</i>	(122,173)	(917,038)	(1,039,211)
Other Financing Sources			
OPWC Loans Issued	0	518,349	518,349
Transfers In	0	35,000	35,000
<i>Total Other Financing Sources</i>	0	553,349	553,349
<i>Net Change in Fund Balances</i>	(122,173)	(363,689)	(485,862)
<i>Fund Balances Beginning of Year</i>	363,904	820,572	1,184,476
<i>Fund Balances End of Year</i>	\$241,731	\$456,883	\$698,614

Combining Statement - Agency Funds

Agency Funds

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

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

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

City of Bedford, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Beginning Balance 12/31/10	Additions	Deductions	Ending Balance 12/31/11
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$268,373	\$5,762,790	\$5,827,833	\$203,330
Liabilities				
Deposits Held and Due to Others	\$268,373	\$5,762,790	\$5,827,833	\$203,330
 <i>State Inspection Fee</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23	\$906	\$892	\$37
Liabilities				
Deposits Held and Due to Others	\$23	\$906	\$892	\$37
 <i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23	\$906	\$892	\$37
Cash and Cash Equivalents In Segregated Accounts	268,373	5,762,790	5,827,833	203,330
Total Assets	\$268,396	\$5,763,696	\$5,828,725	\$203,367
Liabilities				
Deposits Held and Due to Others	\$268,396	\$5,763,696	\$5,828,725	\$203,367

**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,322,920	\$2,322,920	\$2,217,431	(\$105,489)
Municipal Income Taxes	8,509,020	8,509,020	8,751,895	242,875
Charges for Services	621,450	622,675	660,211	37,536
Fees, Licenses and Permits	170,340	170,340	233,717	63,377
Fines and Forfeitures	1,582,700	1,582,700	1,492,312	(90,388)
Intergovernmental	1,882,613	1,741,425	1,890,828	149,403
Interest	78,109	78,109	12,223	(65,886)
Rentals	15,480	15,480	24,632	9,152
Other	34,000	34,000	50,933	16,933
<i>Total Revenues</i>	15,216,632	15,076,669	15,334,182	257,513
Expenditures				
Current:				
General Government:				
Council and Clerk:				
Personal Services	258,360	262,260	256,318	5,942
Other	54,500	52,500	34,630	17,870
Total Council and Clerk	312,860	314,760	290,948	23,812
Finance Department:				
Personal Services	304,305	300,810	286,188	14,622
Capital Outlay	0	8,000	6,986	1,014
Other	355,025	345,025	318,076	26,949
Total Finance Department	659,330	653,835	611,250	42,585
Income Tax Department:				
Personal Services	225,645	225,645	219,462	6,183
Other	174,500	168,500	149,051	19,449
Total Income Tax Department	400,145	394,145	368,513	25,632
City Manager:				
Personal Services	307,160	308,690	301,950	6,740
Other	23,858	21,858	4,325	17,533
Total City Manager	\$331,018	\$330,548	\$306,275	\$24,273

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$131,105	\$132,015	\$130,978	\$1,037
Other	122,000	122,000	95,328	26,672
Total Law Department	253,105	254,015	226,306	27,709
Engineering:				
Personal Services	14,700	14,700	14,694	6
Other	39,500	39,500	17,928	21,572
Total Engineering	54,200	54,200	32,622	21,578
Municipal Court:				
Personal Services	1,788,860	1,788,860	1,754,332	34,528
Other	289,443	289,443	272,456	16,987
Total Municipal Court	2,078,303	2,078,303	2,026,788	51,515
Special Projects:				
Other	70,364	96,564	89,694	6,870
Civil Service Commission:				
Personal Services	3,540	3,540	1,127	2,413
Other	16,000	11,000	10,063	937
Total Civil Service Commission	19,540	14,540	11,190	3,350
Land and Building:				
Personal Services	169,130	169,130	163,693	5,437
Other	541,195	540,965	393,788	147,177
Total Land and Building	710,325	710,095	557,481	152,614
County Auditor Deductions:				
Other	122,000	122,000	103,058	18,942
Total General Government	\$5,011,190	\$5,023,005	\$4,624,125	\$398,880

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$1,480,810	\$1,476,305	\$1,420,569	\$55,736
Capital Outlay	87,000	100,965	100,965	0
Other	289,212	291,747	291,624	123
Total Police	1,857,022	1,869,017	1,813,158	55,859
Fire:				
Fire Equipment:				
Personal Services	50,000	50,000	41,299	8,701
Capital Outlay	195,573	188,493	183,976	4,517
Other	6,000	6,000	1,419	4,581
Total Fire	251,573	244,493	226,694	17,799
Total Security of Persons and Property	2,108,595	2,113,510	2,039,852	73,658
Public Health and Welfare:				
Health Department:				
Other	52,595	52,595	52,592	3
Leisure Time Activities:				
Parks and Playground:				
Personal Services	12,975	17,510	17,086	424
Other	210,660	212,960	117,334	95,626
Total Parks and Playground	223,635	230,470	134,420	96,050
Community Development:				
Planning Commission Department:				
Personal Services	1,165	1,165	457	708
Other	1,775	1,777	1,777	0
Total Planning Commission Department	\$2,940	\$2,942	\$2,234	\$708

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Zoning Appeals:				
Other	\$150	\$150	\$0	\$150
Building Department:				
Personal Services	445,835	448,285	447,333	952
Other	39,381	52,181	24,440	27,741
Total Building Department	485,216	500,466	471,773	28,693
Total Community Development	488,306	503,558	474,007	29,551
Basic Utility Services:				
Refuse Collection:				
Other	687,500	687,500	686,387	1,113
Transportation:				
Service Department:				
Personal Services	1,680,395	1,682,545	1,570,214	112,331
Other	47,858	47,858	20,208	27,650
Total Transportation	1,728,253	1,730,403	1,590,422	139,981
<i>Total Expenditures</i>	10,300,074	10,341,041	9,601,805	739,236
<i>Excess of Revenues Over Expenditures</i>	4,916,558	4,735,628	5,732,377	996,749
Other Financing Sources (Uses)				
Sale of Capital Assets	25,000	25,000	6,384	(18,616)
Advances In	144,905	744,905	667,500	(77,405)
Advances Out	0	(11,000)	(11,000)	0
Transfers Out	(3,838,790)	(3,899,469)	(3,874,469)	25,000
<i>Total Other Financing Sources (Uses)</i>	(3,668,885)	(3,140,564)	(3,211,585)	(71,021)
<i>Net Change in Fund Balance</i>	1,247,673	1,595,064	2,520,792	925,728
<i>Fund Balance Beginning of Year</i>	6,788,321	6,788,321	6,788,321	0
Prior Year Encumbrances Appropriated	61,696	61,696	61,696	0
<i>Fund Balance End of Year</i>	\$8,097,690	\$8,445,081	\$9,370,809	\$925,728

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,980,697	\$2,980,697	\$2,911,025	(\$69,672)
Fees, Licenses and Permits	85	85	50	(35)
Intergovernmental	454,006	444,006	360,119	(83,887)
Interest	1,000	1,000	4,977	3,977
Other	0	0	1,844	1,844
<i>Total Revenues</i>	<i>3,435,788</i>	<i>3,425,788</i>	<i>3,278,015</i>	<i>(147,773)</i>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Police Pension:				
Personal Services	459,380	474,380	470,254	4,126
Safety Forces:				
Personal Services	2,535,110	2,580,265	2,579,651	614
Total Police	2,994,490	3,054,645	3,049,905	4,740
Fire:				
Fire Medic Levy:				
Personal Services	2,737,060	2,784,860	2,740,240	44,620
Capital Outlay	0	3,825	0	3,825
Other	173,556	169,731	161,730	8,001
Total Fire Medic Levy	2,910,616	2,958,416	2,901,970	56,446
Fire Pension:				
Personal Services	500,000	500,000	490,933	9,067
Total Fire	3,410,616	3,458,416	3,392,903	65,513
<i>Total Expenditures</i>	<i>6,405,106</i>	<i>6,513,061</i>	<i>6,442,808</i>	<i>70,253</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(2,969,318)</i>	<i>(3,087,273)</i>	<i>(3,164,793)</i>	<i>(77,520)</i>
Other Financing Sources				
Transfers In	3,176,350	3,176,350	3,176,350	0
<i>Net Change in Fund Balance</i>	<i>207,032</i>	<i>89,077</i>	<i>11,557</i>	<i>(77,520)</i>
<i>Fund Balance Beginning of Year</i>	<i>744,970</i>	<i>744,970</i>	<i>744,970</i>	<i>0</i>
Prior Year Encumbrances Appropriated	185	185	185	0
<i>Fund Balance End of Year</i>	<i>\$952,187</i>	<i>\$834,232</i>	<i>\$756,712</i>	<i>(\$77,520)</i>

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,446,775	\$4,446,775	\$4,381,620	(\$65,155)
Intergovernmental	694,000	694,000	0	(694,000)
Other	10,000	10,000	27,249	17,249
Interest	47,720	47,720	46,175	(1,545)
<i>Total Revenues</i>	5,198,495	5,198,495	4,455,044	(743,451)
Expenses				
Personal Services	604,675	604,675	587,199	17,476
Contractual Services	3,269,291	3,269,791	3,211,852	57,939
Materials and Supplies	133,996	148,496	130,761	17,735
Capital Outlay	1,276,135	1,643,543	1,420,961	222,582
Other	3,000	3,000	167	2,833
Debt Service:				
Principal Retirement	230,500	230,500	230,500	0
Interest and Fiscal Charges	137,910	137,910	137,906	4
<i>Total Expenses</i>	5,655,507	6,037,915	5,719,346	318,569
<i>Net Change in Fund Equity</i>	(457,012)	(839,420)	(1,264,302)	(424,882)
<i>Fund Equity Beginning of Year</i>	3,052,611	3,052,611	3,052,611	0
Prior Year Encumbrances Appropriated	293,994	293,994	293,994	0
<i>Fund Equity End of Year</i>	\$2,889,593	\$2,507,185	\$2,082,303	(\$424,882)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,342,045	\$2,342,045	\$2,207,752	(\$134,293)
Municipal Income Taxes	282,465	282,465	291,679	9,214
Other	1,000	1,000	0	(1,000)
Interest	56,030	56,030	35,406	(20,624)
<i>Total Revenues</i>	<u>2,681,540</u>	<u>2,681,540</u>	<u>2,534,837</u>	<u>(146,703)</u>
Expenses				
Personal Services	1,045,260	1,066,640	996,076	70,564
Contractual Services	99,597	119,797	106,905	12,892
Materials and Supplies	379,450	379,450	324,467	54,983
Capital Outlay	280,396	1,620,585	1,341,754	278,831
Other	4,000	3,000	1,575	1,425
Debt Service:				
Principal Retirement	959,360	959,360	959,357	3
Interest and Fiscal Charges	268,115	268,115	268,111	4
<i>Total Expenses</i>	<u>3,036,178</u>	<u>4,416,947</u>	<u>3,998,245</u>	<u>418,702</u>
<i>Net Change in Fund Equity</i>	(354,638)	(1,735,407)	(1,463,408)	271,999
<i>Fund Equity Beginning of Year</i>	2,612,222	2,612,222	2,612,222	0
Prior Year Encumbrances Appropriated	<u>243,593</u>	<u>243,593</u>	<u>243,593</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,501,177</u>	<u>\$1,120,408</u>	<u>\$1,392,407</u>	<u>\$271,999</u>

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,020,241	\$1,020,241	\$527,957	(\$492,284)
Expenditures				
Current:				
Community Development:				
CDBG Department:				
Capital Outlay	626,051	626,051	192,677	433,374
Other	28,275	28,275	27,465	810
<i>Total Expenditures</i>	<u>654,326</u>	<u>654,326</u>	<u>220,142</u>	<u>434,184</u>
<i>Excess of Revenues Over Expenditures</i>	<u>365,915</u>	<u>365,915</u>	<u>307,815</u>	<u>(58,100)</u>
Other Financing Sources (Uses)				
Advances Out	(600,000)	(600,000)	(600,000)	0
Transfers In	53,599	53,599	53,599	0
<i>Total Other Financing Sources (Uses)</i>	<u>(546,401)</u>	<u>(546,401)</u>	<u>(546,401)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(180,486)</u>	<u>(180,486)</u>	<u>(238,586)</u>	<u>(58,100)</u>
<i>Fund Balance Beginning of Year</i>	138,631	138,631	138,631	0
Prior Year Encumbrances Appropriated	125,448	125,448	125,448	0
<i>Fund Balance End of Year</i>	<u>\$83,593</u>	<u>\$83,593</u>	<u>\$25,493</u>	<u>(\$58,100)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$42,500	\$42,500	\$39,693	(\$2,807)
Interest	3,500	3,500	779	(2,721)
<i>Total Revenues</i>	46,000	46,000	40,472	(5,528)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	46,000	81,000	58,977	22,023
<i>Net Change in Fund Balance</i>	0	(35,000)	(18,505)	16,495
<i>Fund Balance Beginning of Year</i>	151,445	151,445	151,445	0
<i>Fund Balance End of Year</i>	<u>\$151,445</u>	<u>\$116,445</u>	<u>\$132,940</u>	<u>\$16,495</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$22,000	\$22,000	\$25,383	\$3,383
Interest	2,200	2,200	694	(1,506)
<i>Total Revenues</i>	24,200	24,200	26,077	1,877
Expenditures				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	50,000	50,000	23,372	26,628
<i>Net Change in Fund Balance</i>	(25,800)	(25,800)	2,705	28,505
<i>Fund Balance Beginning of Year</i>	114,296	114,296	114,296	0
<i>Fund Balance End of Year</i>	<u>\$88,496</u>	<u>\$88,496</u>	<u>\$117,001</u>	<u>\$28,505</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$304,604	\$304,604	\$252,752	(\$51,852)
Other	263,910	263,910	301,277	37,367
<i>Total Revenues</i>	<u>568,514</u>	<u>568,514</u>	<u>554,029</u>	<u>(14,485)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	487,833	487,833	225,049	262,784
Capital Outlay	212,208	212,208	80,954	131,254
Other	30,142	30,142	30,077	65
<i>Total Expenditures</i>	<u>730,183</u>	<u>730,183</u>	<u>336,080</u>	<u>394,103</u>
<i>Net Change in Fund Balance</i>	(161,669)	(161,669)	217,949	379,618
<i>Fund Balance Beginning of Year</i>	158,908	158,908	158,908	0
Prior Year Encumbrances Appropriated	2,761	2,761	2,761	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$379,618</u>	<u>\$379,618</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$630	\$698	\$68
Interest	0	0	6	6
<i>Total Revenues</i>	0	630	704	74
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Enforcement and Education:				
Personal Services	0	585	0	585
<i>Net Change in Fund Balance</i>	0	45	704	659
<i>Fund Balance Beginning of Year</i>	585	585	585	0
<i>Fund Balance End of Year</i>	\$585	\$630	\$1,289	\$659

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$330,000	\$330,000	\$290,741	(\$39,259)
Interest	4,500	4,500	1,677	(2,823)
<i>Total Revenues</i>	334,500	334,500	292,418	(42,082)
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	350,000	350,000	326,982	23,018
<i>Net Change in Fund Balance</i>	(15,500)	(15,500)	(34,564)	(19,064)
<i>Fund Balance Beginning of Year</i>	314,695	314,695	314,695	0
<i>Fund Balance End of Year</i>	<u>\$299,195</u>	<u>\$299,195</u>	<u>\$280,131</u>	<u>(\$19,064)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$511,000	\$511,000	\$491,051	(\$19,949)
Interest	10,000	10,000	3,551	(6,449)
Other	0	0	100	100
<i>Total Revenues</i>	<u>521,000</u>	<u>521,000</u>	<u>494,702</u>	<u>(26,298)</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	235,645	235,645	196,315	39,330
Capital Outlay	49,468	49,468	47,794	1,674
Other	489,192	489,192	443,869	45,323
<i>Total Expenditures</i>	<u>774,305</u>	<u>774,305</u>	<u>687,978</u>	<u>86,327</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(253,305)</u>	<u>(253,305)</u>	<u>(193,276)</u>	<u>60,029</u>
Other Financing Sources				
Sale of Capital Assets	5,000	5,000	37,294	32,294
Transfers In	300,000	300,000	275,000	(25,000)
<i>Total Other Financing Sources</i>	<u>305,000</u>	<u>305,000</u>	<u>312,294</u>	<u>7,294</u>
<i>Net Change in Fund Balance</i>	51,695	51,695	119,018	67,323
<i>Fund Balance Beginning of Year</i>	471,338	471,338	471,338	0
Prior Year Encumbrances Appropriated	92,400	92,400	92,400	0
<i>Fund Balance End of Year</i>	<u>\$615,433</u>	<u>\$615,433</u>	<u>\$682,756</u>	<u>\$67,323</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$78	\$78	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	0	2,000	1,817	183
Other	0	21,760	15,768	5,992
<i>Total Expenditures</i>	0	23,760	17,585	6,175
<i>Net Change in Fund Balance</i>	0	(23,682)	(17,507)	6,175
<i>Fund Balance Beginning of Year</i>	23,761	23,761	23,761	0
<i>Fund Balance End of Year</i>	\$23,761	\$79	\$6,254	\$6,175

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$87,700	\$87,700	\$84,229	(\$3,471)
Interest	4,000	4,000	861	(3,139)
<i>Total Revenues</i>	91,700	91,700	85,090	(6,610)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	93,000	93,000	93,000	0
<i>Net Change in Fund Balance</i>	(1,300)	(1,300)	(7,910)	(6,610)
<i>Fund Balance Beginning of Year</i>	174,042	174,042	174,042	0
<i>Fund Balance End of Year</i>	<u>\$172,742</u>	<u>\$172,742</u>	<u>\$166,132</u>	<u>(\$6,610)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$450	\$450	\$450	\$0
Intergovernmental	108,182	108,182	59,494	(48,688)
Contributions and Donations	140,074	140,074	91,828	(48,246)
<i>Total Revenues</i>	<u>248,706</u>	<u>248,706</u>	<u>151,772</u>	<u>(96,934)</u>
Expenditures				
Current:				
General Government:				
NOPEC Energy Grant				
Capital Outlay	137,790	109,326	47,313	62,013
Other	31,340	31,340	31,340	0
Total General Government	<u>169,130</u>	<u>140,666</u>	<u>78,653</u>	<u>62,013</u>
Security of Persons and Property:				
Police:				
Homeland Security Police Department:				
Personal Services	11,892	11,892	10,871	1,021
Other	40,048	40,048	22,219	17,829
Total Homeland Security Police Department	<u>51,940</u>	<u>51,940</u>	<u>33,090</u>	<u>18,850</u>
Community Diversion:				
Personal Services	13,168	13,168	13,168	0
Other	1,205	1,205	495	710
Total Community Diversion	<u>14,373</u>	<u>14,373</u>	<u>13,663</u>	<u>710</u>
Third Grade Seatbelts:				
Personal Services	1,020	1,020	1,020	0
Violence Against Women:				
Personal Services	33,623	33,623	33,623	0
Other	2,717	2,717	2,566	151
Total Violence Against Women	<u>\$36,340</u>	<u>\$36,340</u>	<u>\$36,189</u>	<u>\$151</u>

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
DARE Enforcement:				
Personal Services	\$6,094	\$6,094	\$271	\$5,823
Other	99	99	0	99
Total DARE Enforcement	6,193	6,193	271	5,922
Total Police	109,866	109,866	84,233	25,633
Fire:				
Fire Department:				
Other	44,572	44,572	23,736	20,836
Total Security of Persons and Property	154,438	154,438	107,969	46,469
Leisure Time Activities:				
Soccer Donations				
Other	6,655	6,655	4,009	2,646
Food Bank - Recreation:				
Other	22,108	22,108	12,913	9,195
Total Leisure Time Activities	28,763	28,763	16,922	11,841
<i>Total Expenditures</i>	352,331	323,867	203,544	120,323
<i>Excess of Revenues Under Expenditures</i>	(103,625)	(75,161)	(51,772)	23,389
Other Financing Sources				
Transfers In	15,000	15,000	15,000	0
<i>Net Change in Fund Balance</i>	(88,625)	(60,161)	(36,772)	23,389
<i>Fund Balance Beginning of Year</i>	84,266	84,266	84,266	0
Prior Year Encumbrances Appropriated	28,464	28,464	28,464	0
<i>Fund Balance End of Year</i>	\$24,105	\$52,569	\$75,958	\$23,389

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$181,000	\$181,000	\$180,688	(\$312)
Interest	8,900	8,900	4,504	(4,396)
<i>Total Revenues</i>	<u>189,900</u>	<u>189,900</u>	<u>185,192</u>	<u>(4,708)</u>
Expenditures				
Current:				
General Government:				
Municipal Court Special Programs:				
Capital Outlay	15,000	15,000	8,445	6,555
Other	2,500	2,500	2,500	0
<i>Total Expenditures</i>	<u>17,500</u>	<u>17,500</u>	<u>10,945</u>	<u>6,555</u>
<i>Excess of Revenues Over Expenditures</i>	172,400	172,400	174,247	1,847
Other Financing Uses				
Transfers Out	(144,400)	(144,400)	(144,400)	0
<i>Net Change in Fund Balance</i>	28,000	28,000	29,847	1,847
<i>Fund Balance Beginning of Year</i>	723,572	723,572	723,572	0
Prior Year Encumbrances Appropriated	2,500	2,500	2,500	0
<i>Fund Balance End of Year</i>	<u>\$754,072</u>	<u>\$754,072</u>	<u>\$755,919</u>	<u>\$1,847</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Housing and Urban Development Rehabilitation Program Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
HUD Housing Rehabilitation:				
Capital Outlay	9,811	48,053	43,647	4,406
<i>Excess of Revenues Under Expenditures</i>	(9,811)	(48,053)	(43,647)	4,406
Other Financing Sources (Uses)				
Sale of Capital Assets	144,905	144,905	67,500	(77,405)
Advances In	0	11,000	11,000	0
Advances Out	(144,905)	(144,905)	(67,500)	77,405
<i>Total Other Financing Sources (Uses)</i>	0	11,000	11,000	0
<i>Net Change in Fund Balance</i>	(9,811)	(37,053)	(32,647)	4,406
<i>Fund Balance Beginning of Year</i>	27,242	27,242	27,242	0
Prior Year Encumbrances Appropriated	9,811	9,811	9,811	0
<i>Fund Balance End of Year</i>	\$27,242	\$0	\$4,406	\$4,406

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Interlock and Monitoring Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$4,000	\$4,000	\$14,194	\$10,194
Interest	0	0	168	168
<i>Total Revenues</i>	4,000	4,000	14,362	10,362
Expenditures				
Current:				
General Government:				
Indigent Interlock and Monitoring:				
Other	3,000	3,000	0	3,000
<i>Net Change in Fund Balance</i>	1,000	1,000	14,362	13,362
<i>Fund Balance Beginning of Year</i>	18,776	18,776	18,776	0
<i>Fund Balance End of Year</i>	\$19,776	\$19,776	\$33,138	\$13,362

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$400	\$400	\$0	(\$400)
Other	0	0	50	50
<i>Total Revenues</i>	400	400	50	(350)
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery Trust:				
Other	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(1,600)	(1,600)	50	1,650
<i>Fund Balance Beginning of Year</i>	43,006	43,006	43,006	0
<i>Fund Balance End of Year</i>	\$41,406	\$41,406	\$43,056	\$1,650

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$9,250	\$9,250	\$9,250	\$0
Interest	3,250	3,250	640	(2,610)
<i>Total Revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>9,890</u>	<u>(2,610)</u>
Expenditures				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	109,030	109,645	88,011	21,634
Other	189,340	189,340	177,633	11,707
<i>Total Expenditures</i>	<u>298,370</u>	<u>298,985</u>	<u>265,644</u>	<u>33,341</u>
<i>Excess of Revenues Under Expenditures</i>	(285,870)	(286,485)	(255,754)	30,731
Other Financing Sources				
Transfers In	281,000	281,000	257,584	(23,416)
<i>Net Change in Fund Balance</i>	(4,870)	(5,485)	1,830	7,315
<i>Fund Balance Beginning of Year</i>	<u>139,688</u>	<u>139,688</u>	<u>139,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$134,818</u>	<u>\$134,203</u>	<u>\$141,518</u>	<u>\$7,315</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$44,150	\$69,150	\$74,825	\$5,675
Interest	3,000	3,000	628	(2,372)
Other	200	200	135	(65)
<i>Total Revenues</i>	<u>47,350</u>	<u>72,350</u>	<u>75,588</u>	<u>3,238</u>
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	97,065	97,065	96,097	968
Capital Outlay	1,200	2,050	1,125	925
Other	31,900	37,900	17,185	20,715
<i>Total Expenditures</i>	<u>130,165</u>	<u>137,015</u>	<u>114,407</u>	<u>22,608</u>
<i>Excess of Revenues Under Expenditures</i>	(82,815)	(64,665)	(38,819)	25,846
Other Financing Sources				
Transfers In	60,000	60,000	55,000	(5,000)
<i>Net Change in Fund Balance</i>	(22,815)	(4,665)	16,181	20,846
<i>Fund Balance Beginning of Year</i>	<u>92,651</u>	<u>92,651</u>	<u>92,651</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$69,836</u>	<u>\$87,986</u>	<u>\$108,832</u>	<u>\$20,846</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$123,500	\$192,650	\$119,666	(\$72,984)
Interest	6,500	6,500	2,064	(4,436)
Other	300	300	143	(157)
<i>Total Revenues</i>	<u>130,300</u>	<u>199,450</u>	<u>121,873</u>	<u>(77,577)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	253,900	253,900	234,554	19,346
Capital Outlay	35,232	36,307	36,307	0
Other	173,768	173,768	152,790	20,978
Total Playgrounds	<u>462,900</u>	<u>463,975</u>	<u>423,651</u>	<u>40,324</u>
Swimming Pool:				
Personal Services	161,730	163,030	162,830	200
Capital Outlay	5,000	3,700	3,650	50
Other	51,050	51,050	46,619	4,431
Total Swimming Pool	<u>217,780</u>	<u>217,780</u>	<u>213,099</u>	<u>4,681</u>
Ellenwood Center:				
Personal Services	449,365	450,955	443,489	7,466
Capital Outlay	15,000	32,190	23,161	9,029
Other	130,177	130,177	78,795	51,382
Total Ellenwood Center	<u>594,542</u>	<u>613,322</u>	<u>545,445</u>	<u>67,877</u>
<i>Total Expenditures</i>	<u>1,275,222</u>	<u>1,295,077</u>	<u>1,182,195</u>	<u>112,882</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,144,922)</u>	<u>(1,095,627)</u>	<u>(1,060,322)</u>	<u>35,305</u>
Other Financing Sources				
Sale of Capital Assets	800	800	5,363	4,563
Transfers In	1,100,000	1,100,000	1,008,334	(91,666)
<i>Total Other Financing Sources</i>	<u>1,100,800</u>	<u>1,100,800</u>	<u>1,013,697</u>	<u>(87,103)</u>
<i>Net Change in Fund Balance</i>	(44,122)	5,173	(46,625)	(51,798)
<i>Fund Balance Beginning of Year</i>	307,192	307,192	307,192	0
Prior Year Encumbrances Appropriated	5,457	5,457	5,457	0
<i>Fund Balance End of Year</i>	<u>\$268,527</u>	<u>\$317,822</u>	<u>\$266,024</u>	<u>(\$51,798)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$0	\$0	\$8,480	\$8,480
Municipal Income Taxes	659,425	659,425	680,703	21,278
Interest	1,000	1,000	2,746	1,746
Other	17,915	17,915	17,917	2
<i>Total Revenues</i>	<u>678,340</u>	<u>678,340</u>	<u>709,846</u>	<u>31,506</u>
Expenditures				
Debt Service:				
Principal Retirement	637,690	637,690	637,689	1
Interest and Fiscal Charges	499,280	499,280	499,279	1
<i>Total Expenditures</i>	<u>1,136,970</u>	<u>1,136,970</u>	<u>1,136,968</u>	<u>2</u>
<i>Excess of Revenues Under Expenditures</i>	(458,630)	(458,630)	(427,122)	31,508
Other Financing Sources				
Transfers In	463,920	463,920	463,920	0
<i>Net Change in Fund Balance</i>	5,290	5,290	36,798	31,508
<i>Fund Balance Beginning of Year</i>	<u>5,458</u>	<u>5,458</u>	<u>5,458</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,748</u></u>	<u><u>\$10,748</u></u>	<u><u>\$42,256</u></u>	<u><u>\$31,508</u></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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$89,030	\$89,030	\$96,807	\$7,777
Interest	1,000	1,000	444	(556)
<i>Total Revenues</i>	<u>90,030</u>	<u>90,030</u>	<u>97,251</u>	<u>7,221</u>
Expenditures				
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	19,030	19,030	19,030	0
<i>Total Expenditures</i>	<u>89,030</u>	<u>89,030</u>	<u>89,030</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,000	1,000	8,221	7,221
<i>Fund Balance Beginning of Year</i>	<u>56,917</u>	<u>56,917</u>	<u>56,917</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$57,917</u></u>	<u><u>\$57,917</u></u>	<u><u>\$65,138</u></u>	<u><u>\$7,221</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$97,600	\$97,600	\$73,573	(\$24,027)
Interest	5,000	5,000	1,613	(3,387)
<i>Total Revenues</i>	<u>102,600</u>	<u>102,600</u>	<u>75,186</u>	<u>(27,414)</u>
Expenditures				
Capital Outlay:				
Municipal Court Improvement:				
Capital Outlay	35,000	73,500	71,837	1,663
Other	135,000	136,500	125,230	11,270
<i>Total Expenditures</i>	<u>170,000</u>	<u>210,000</u>	<u>197,067</u>	<u>12,933</u>
<i>Net Change in Fund Balance</i>	(67,400)	(107,400)	(121,881)	(14,481)
<i>Fund Balance Beginning of Year</i>	<u>357,993</u>	<u>357,993</u>	<u>357,993</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$290,593</u>	<u>\$250,593</u>	<u>\$236,112</u>	<u>(\$14,481)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$122,440	\$122,440	\$90,200	(\$32,240)
Interest	0	0	5,115	5,115
<i>Total Revenues</i>	122,440	122,440	95,315	(27,125)
Expenditures				
Capital Outlay	984,586	1,504,713	1,401,087	103,626
<i>Excess of Revenues Under Expenditures</i>	(862,146)	(1,382,273)	(1,305,772)	76,501
Other Financing Sources				
Sale of Capital Assets	0	0	25,000	25,000
Proceeds of OPWC Loans	571,370	596,370	518,349	(78,021)
Transfers In	35,000	35,000	35,000	0
<i>Total Other Financing Sources</i>	606,370	631,370	578,349	(53,021)
<i>Net Change in Fund Balance</i>	(255,776)	(750,903)	(727,423)	23,480
<i>Fund Balance Beginning of Year</i>	970,268	970,268	970,268	0
Prior Year Encumbrances Appropriated	180,557	180,557	180,557	0
<i>Fund Balance End of Year</i>	<u>\$895,049</u>	<u>\$399,922</u>	<u>\$423,402</u>	<u>\$23,480</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,379,465	\$2,379,465	\$2,343,643	(\$35,822)
Interest	5,000	5,000	2,576	(2,424)
Other	28,000	28,000	24,515	(3,485)
<i>Total Revenues</i>	<u>2,412,465</u>	<u>2,412,465</u>	<u>2,370,734</u>	<u>(41,731)</u>
Expenses				
Contractual Services	380,000	380,000	319,260	60,740
Claims	2,032,525	2,057,525	2,051,174	6,351
<i>Total Expenses</i>	<u>2,412,525</u>	<u>2,437,525</u>	<u>2,370,434</u>	<u>67,091</u>
<i>Net Change in Fund Equity</i>	(60)	(25,060)	300	25,360
<i>Fund Equity Beginning of Year</i>	400,381	400,381	400,381	0
Prior Year Encumbrances Appropriated	60	60	60	0
<i>Fund Equity End of Year</i>	<u>\$400,381</u>	<u>\$375,381</u>	<u>\$400,741</u>	<u>\$25,360</u>



City of BEDFORD, Ohio

S T A T I S T I C A L

S E C T I O N





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 – S29</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>S30 – S33</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>S34 – S51</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2011	2010	2009	2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$20,968,797	\$22,729,591	\$24,376,061	\$25,879,539
Restricted:				
Capital Projects	241,731	0	410,909	952,794
Debt Service	513,704	533,106	624,790	933,485
Municipal Courts	774,291	746,043	714,104	698,237
Fire	0	0	0	161,449
Streets	1,227,043	1,125,705	1,098,471	1,441,636
Community Development	627,065	535,619	201,776	366,176
Street Lighting	555,255	585,951	647,086	621,919
Drug Force Violations	409,517	192,207	0	0
Other Purposes	301,073	428,972	459,359	720,655
Unrestricted	12,312,481	10,878,025	9,786,893	10,695,092
<i>Total Governmental Activities</i> <i>Net Assets</i>	<u>37,930,957</u>	<u>37,755,219</u>	<u>38,319,449</u>	<u>42,470,982</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	5,917,802	4,122,051	5,780,208	5,058,014
Restricted:				
Renewal and Replacement	0	0	0	0
Unrestricted	5,976,224	6,382,757	4,343,937	4,420,694
<i>Total Business-Type Activities</i> <i>Net Assets</i>	<u>11,894,026</u>	<u>10,504,808</u>	<u>10,124,145</u>	<u>9,478,708</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	26,886,599	26,851,642	30,156,269	30,937,553
Restricted	4,649,679	4,147,603	4,156,495	5,896,351
Unrestricted	18,288,705	17,260,782	14,130,830	15,115,786
<i>Total Primary Government</i> <i>Net Assets</i>	<u>\$49,824,983</u>	<u>\$48,260,027</u>	<u>\$48,443,594</u>	<u>\$51,949,690</u>

2007	2006	2005	2004	2003	2002
\$27,216,162	\$27,242,739	\$29,561,437	\$29,950,309	\$30,244,755	\$27,844,368
974,982	1,171,756	1,356,429	1,719,410	3,057,559	4,707,736
1,181,876	1,321,616	1,143,792	1,247,181	1,176,626	1,366,567
0	0	0	0	0	0
134,774	522,030	423,999	362,312	97,233	32,999
1,493,516	1,162,070	1,294,088	1,371,972	1,183,863	1,143,523
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,524,936	1,746,159	701,410	1,317,826	1,270,059	1,331,643
11,350,256	11,720,851	10,220,472	8,236,154	9,350,789	10,243,418
<u>44,876,502</u>	<u>44,887,221</u>	<u>44,701,627</u>	<u>44,205,164</u>	<u>46,380,884</u>	<u>46,670,254</u>
4,527,360	3,285,261	2,842,724	2,638,318	1,356,691	1,185,779
0	0	0	0	0	1,196,296
3,766,979	4,145,274	4,335,387	3,961,305	4,260,063	2,369,303
<u>8,294,339</u>	<u>7,430,535</u>	<u>7,178,111</u>	<u>6,599,623</u>	<u>5,616,754</u>	<u>4,751,378</u>
31,743,522	30,528,000	32,404,161	32,588,627	31,601,446	29,030,147
6,310,084	5,923,631	4,919,718	6,018,701	6,785,340	9,778,764
15,117,235	15,866,125	14,555,859	12,197,459	13,610,852	12,612,721
<u>\$53,170,841</u>	<u>\$52,317,756</u>	<u>\$51,879,738</u>	<u>\$50,804,787</u>	<u>\$51,997,638</u>	<u>\$51,421,632</u>

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

	2011	2010	2009	2008
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$2,083,696	\$1,858,638	\$1,934,236	\$2,226,427
Security of Persons and Property:				
Police	64,974	60,445	65,680	32,779
Fire	434,885	380,753	397,435	311,809
Public Health and Welfare	14,892	42,651	45,060	39,230
Leisure Time Activities	153,829	119,801	126,569	112,805
Community Development	334,687	272,543	284,584	339,374
Basic Utility Services	289,719	292,043	334,195	323,511
Subtotal - Charges for Services	<u>3,376,682</u>	<u>3,026,874</u>	<u>3,187,759</u>	<u>3,385,935</u>
Operating Grants and Contributions:				
General Government	585,887	475,317	501,895	441,910
Security of Persons and Property:				
Police	430,038	891,928	478,920	362,903
Fire	397,242	423,286	221,427	409,838
Public Health and Welfare	25,779	34,725	23,293	13,399
Leisure Time Activities	4,325	14,635	7,500	0
Community Development	133,616	853,331	113,029	101,163
Basic Utility Services	0	5,898	0	0
Transportation	594,471	618,478	620,287	668,247
Subtotal - Operating Grants and Contributions	<u>2,171,358</u>	<u>3,317,598</u>	<u>1,966,351</u>	<u>1,997,460</u>
Capital Grants and Contributions:				
Community Development	0	0	0	0
Transportation	97,583	24,856	392	227,431
Basic Utility Services	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>97,583</u>	<u>24,856</u>	<u>392</u>	<u>227,431</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,645,623</u>	<u>6,369,328</u>	<u>5,154,502</u>	<u>5,610,826</u>
Business-Type Activities:				
Charges for Services:				
Water	4,417,995	4,354,170	4,020,958	3,729,987
Wastewater	2,233,413	2,196,959	2,116,968	2,091,081
Capital Grants and Contributions				
Water	428,182	0	0	0
Wastewater	0	0	0	7,766
<i>Total Business-Type Activities Program Revenues</i>	<u>7,079,590</u>	<u>6,551,129</u>	<u>6,137,926</u>	<u>5,828,834</u>
<i>Total Primary Government Program Revenues</i>	<u>\$12,725,213</u>	<u>\$12,920,457</u>	<u>\$11,292,428</u>	<u>\$11,439,660</u>

2007	2006	2005	2004	2003	2002
\$2,205,689	\$1,797,782	\$1,687,566	\$1,935,330	\$1,649,919	\$1,336,960
53,907	57,998	56,734	35,648	48,104	18,465
257,282	160,839	293,200	106,118	212,339	162,956
40,510	43,580	43,443	66,437	49,584	36,818
96,845	87,771	95,355	75,441	90,675	93,993
278,011	151,920	136,304	18,569	114,584	139,293
291,969	292,023	229,705	394,613	270,348	259,105
<u>3,224,213</u>	<u>2,591,913</u>	<u>2,542,307</u>	<u>2,632,156</u>	<u>2,435,553</u>	<u>2,047,590</u>
427,621	0	0	2,245	533,316	0
362,556	283,602	140,902	166,920	160,110	122,208
25,100	8,413	3,724	97,744	75,022	1,440
14,102	10,680	15,066	19,818	12,812	24,404
0	12,370	27,865	2,065	5,044	3,600
114,687	167,843	373,911	257,363	154,524	0
0	274	6,008	4,148	16,390	12,500
661,345	667,025	626,063	555,554	612,340	428,560
<u>1,605,411</u>	<u>1,150,207</u>	<u>1,193,539</u>	<u>1,105,857</u>	<u>1,569,558</u>	<u>592,712</u>
0	0	0	0	0	238,144
307,611	431,974	425,995	383,865	630	350,054
0	0	0	0	0	84,928
<u>307,611</u>	<u>431,974</u>	<u>425,995</u>	<u>383,865</u>	<u>630</u>	<u>673,126</u>
<u>5,137,235</u>	<u>4,174,094</u>	<u>4,161,841</u>	<u>4,121,878</u>	<u>4,005,741</u>	<u>3,313,428</u>
3,521,515	3,237,446	3,395,893	3,199,611	3,028,854	3,257,031
2,058,390	1,943,800	2,154,552	2,073,569	2,077,765	2,170,295
331,940	0	0	0	0	0
222,469	32,508	8,646	714,635	140,141	345,871
<u>6,134,314</u>	<u>5,213,754</u>	<u>5,559,091</u>	<u>5,987,815</u>	<u>5,246,760</u>	<u>5,773,197</u>
<u>\$11,271,549</u>	<u>\$9,387,848</u>	<u>\$9,720,932</u>	<u>\$10,109,693</u>	<u>\$9,252,501</u>	<u>\$9,086,625</u>

(continued)

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

	2011	2010	2009	2008
Expenses				
Governmental Activities:				
General Government	\$5,091,308	\$4,908,785	\$4,928,374	\$5,323,310
Security of Persons and Property:				
Police	5,290,725	5,247,617	5,359,101	5,446,671
Fire	3,779,111	3,755,520	3,598,515	4,097,079
Public Health and Welfare	194,643	177,865	166,753	221,252
Leisure Time Activities	1,324,108	1,391,675	1,386,520	1,503,009
Community Development	843,855	949,599	912,620	729,553
Basic Utility Services	1,010,797	1,054,778	1,046,474	1,027,983
Transportation	4,303,602	4,685,770	4,447,747	4,786,782
Interest and Fiscal Charges	560,422	509,591	566,322	592,927
<i>Total Governmental Activities Expenses</i>	<u>22,398,571</u>	<u>22,681,200</u>	<u>22,412,426</u>	<u>23,728,566</u>
Business-Type Activities				
Water	4,131,949	4,515,808	3,854,565	3,231,458
Wastewater	1,958,932	2,051,038	2,024,262	1,880,937
<i>Total Business-Type Activities Expenses</i>	<u>6,090,881</u>	<u>6,566,846</u>	<u>5,878,827</u>	<u>5,112,395</u>
<i>Total Primary Government Program Expenses</i>	<u>28,489,452</u>	<u>29,248,046</u>	<u>28,291,253</u>	<u>28,840,961</u>
Net (Expense)/Revenue				
Governmental Activities	(16,752,948)	(16,311,872)	(17,257,924)	(18,117,740)
Business-Type Activities	988,709	(15,717)	259,099	716,439
<i>Total Primary Government Net Expense</i>	<u>(\$15,764,239)</u>	<u>(\$16,327,589)</u>	<u>(\$16,998,825)</u>	<u>(\$17,401,301)</u>

2007	2006	2005	2004	2003	2002
\$5,106,413	\$4,871,530	\$4,513,961	\$4,843,345	\$4,516,277	\$4,060,361
5,452,247	4,847,966	4,696,595	4,719,423	4,099,951	3,849,577
3,620,839	3,338,007	3,264,023	3,391,320	3,026,454	2,880,439
193,518	164,391	165,278	209,642	243,755	45,199
1,609,539	1,615,332	1,515,957	1,394,766	1,249,546	1,311,478
633,811	1,042,659	711,271	976,913	613,461	1,019,191
888,600	850,077	746,633	763,373	915,928	3,954,442
4,221,135	4,727,888	4,815,778	4,263,114	3,786,962	787,321
615,603	469,373	610,370	605,446	720,371	364,581
<u>22,341,705</u>	<u>21,927,223</u>	<u>21,039,866</u>	<u>21,167,342</u>	<u>19,172,705</u>	<u>18,272,589</u>
3,472,856	3,155,757	3,277,619	3,171,606	3,105,244	3,396,720
2,347,908	2,326,613	2,249,871	2,278,779	1,704,107	2,423,832
<u>5,820,764</u>	<u>5,482,370</u>	<u>5,527,490</u>	<u>5,450,385</u>	<u>4,809,351</u>	<u>5,820,552</u>
<u>28,162,469</u>	<u>27,409,593</u>	<u>26,567,356</u>	<u>26,617,727</u>	<u>23,982,056</u>	<u>24,093,141</u>
(17,204,470)	(17,753,129)	(16,878,025)	(17,045,464)	(15,166,964)	(14,959,161)
313,550	(268,616)	31,601	537,430	437,409	(47,355)
<u>(\$16,890,920)</u>	<u>(\$18,021,745)</u>	<u>(\$16,846,424)</u>	<u>(\$16,508,034)</u>	<u>(\$14,729,555)</u>	<u>(\$15,006,516)</u>

(continued)

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

	2011	2010	2009	2008
General Revenues and Other				
Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Taxes Levied For:				
General Purposes	\$2,263,682	\$2,306,766	\$2,340,611	\$2,436,161
Debt Service	32,714	0	0	0
Public Safety	3,003,234	3,016,795	943,569	880,740
Municipal Income Taxes levied for:				
General Purposes	9,277,242	8,145,582	7,616,052	9,098,927
Debt Service	680,703	657,234	626,789	680,711
Capital Outlay	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	1,131,551	1,406,412	950,510	1,852,030
Investment Income	108,763	37,698	172,163	411,024
Gain on Sale of Capital Assets	17,041	4,957	145,395	114,650
Miscellaneous	413,756	172,198	311,302	237,977
<i>Total Governmental Activities</i>	<u>16,928,686</u>	<u>15,747,642</u>	<u>13,106,391</u>	<u>15,712,220</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Wastewater	291,679	276,601	250,344	291,734
Investment Income	81,581	31,346	90,936	145,854
Gain on Sale of Capital Assets	0	21,696	0	0
Miscellaneous	27,249	66,737	45,058	30,342
<i>Total Business-Type Activities</i>	<u>400,509</u>	<u>396,380</u>	<u>386,338</u>	<u>467,930</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,329,195</u>	<u>16,144,022</u>	<u>13,492,729</u>	<u>16,180,150</u>
Change in Net Assets				
Governmental Activities	175,738	(564,230)	(4,151,533)	(2,405,520)
Business-Type Activities	1,389,218	380,663	645,437	1,184,369
<i>Total Primary Government Change in Net Assets</i>	<u>\$1,564,956</u>	<u>(\$183,567)</u>	<u>(\$3,506,096)</u>	<u>(\$1,221,151)</u>

2007	2006	2005	2004	2003	2002
\$2,648,487	\$2,435,575	\$2,548,372	\$2,499,866	\$2,306,655	\$2,379,963
0	0	0	0	0	0
957,466	880,516	885,180	903,784	820,713	848,405
9,852,161	10,834,317	10,625,798	8,661,875	8,749,253	9,420,817
769,619	870,902	653,673	0	0	0
0	0	0	588,120	566,714	802,473
1,735,202	1,940,740	1,925,920	1,743,683	1,310,787	1,697,045
750,070	648,078	255,900	150,677	202,952	455,414
38,742	27,503	80,398	1,900	632,343	3,000
442,004	301,092	399,247	319,839	288,177	227,074
17,193,751	17,938,723	17,374,488	14,869,744	14,877,594	15,834,191
329,833	373,551	435,782	392,079	377,810	0
189,673	140,178	87,679	47,286	43,442	78,400
0	3,903	0	0	2,834	0
30,748	3,408	23,426	6,074	3,881	0
550,254	521,040	546,887	445,439	427,967	78,400
17,744,005	18,459,763	17,921,375	15,315,183	15,305,561	15,912,591
(10,719)	185,594	496,463	(2,175,720)	(289,370)	875,030
863,804	252,424	578,488	982,869	865,376	31,045
\$853,085	\$438,018	\$1,074,951	(\$1,192,851)	\$576,006	\$906,075

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

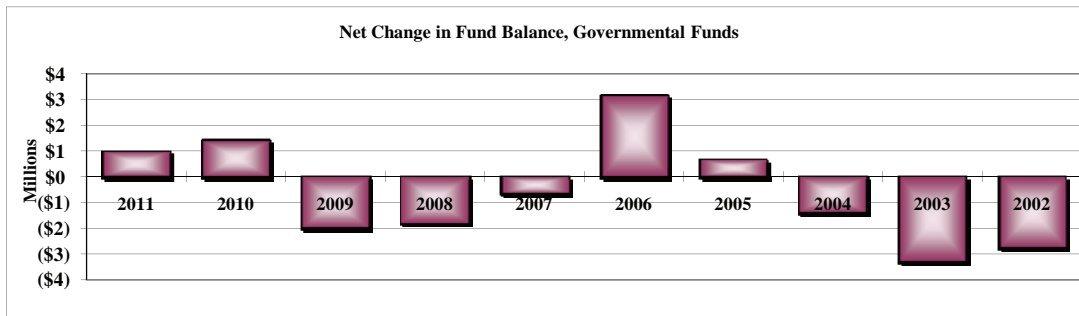
	2011	2010	2009	2008
General Fund				
Nonspendable	\$201,231	\$140,994	\$166,953	\$205,924
Committed	16,033	12,216	517	0
Assigned	61,663	45,607	66,615	614,578
Unassigned	10,019,811	8,974,991	8,431,130	9,627,764
Reserved	0	0	0	0
Unreserved	0	0	0	0
<i>Total General Fund</i>	<u>10,298,738</u>	<u>9,173,808</u>	<u>8,665,215</u>	<u>10,448,266</u>
All Other Governmental Funds				
Nonspendable	50,639	98,803	127,351	49,844
Restricted	3,936,096	3,729,801	3,268,902	3,434,707
Committed	311,465	80,540	6,158	0
Assigned	145,418	690,032	297,817	437,035
Unassigned (Deficit)	(22,443)	0	0	0
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>4,421,175</u>	<u>4,599,176</u>	<u>3,700,228</u>	<u>3,921,586</u>
<i>Total Governmental Funds</i>	<u><u>\$14,719,913</u></u>	<u><u>\$13,772,984</u></u>	<u><u>\$12,365,443</u></u>	<u><u>\$14,369,852</u></u>

Note: The City implemented GASB 54 in 2009.

2007	2006	2005	2004	2003	2002
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
78,845	123,858	125,743	183,862	93,979	111,332
10,313,325	10,708,438	9,341,622	7,780,251	8,266,852	9,742,716
10,392,170	10,832,296	9,467,365	7,964,113	8,360,831	9,854,048
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
836,062	1,713,841	1,070,584	1,118,261	1,671,140	3,501,721
3,398,068	2,536,991	1,706,315	1,982,268	1,851,040	1,939,063
443,234	536,692	238,235	240,837	301,642	330,600
823,158	915,568	908,542	1,445,177	1,931,071	1,778,295
5,500,522	5,703,092	3,923,676	4,786,543	5,754,893	7,549,679
\$15,892,692	\$16,535,388	\$13,391,041	\$12,750,656	\$14,115,724	\$17,403,727

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

	2011	2010	2009	2008	2007
Revenues					
Property Taxes	\$5,136,936	\$5,174,321	\$3,311,558	\$3,314,450	\$3,570,124
Municipal Income Taxes	9,671,215	8,819,439	8,528,730	9,401,167	10,648,355
Charges for Services	1,024,848	748,132	1,029,766	774,816	699,046
Fees, Licenses and Permits	248,260	211,116	162,453	207,702	292,484
Fines and Forfeitures	1,761,228	1,695,770	1,746,097	1,917,688	1,768,546
Intergovernmental	3,417,329	4,455,400	2,908,431	3,954,097	3,535,460
Special Assessments	387,548	416,092	425,542	449,480	498,755
Contributions and Donations	48,317	83,320	40,855	0	45,100
Interest	106,187	33,409	158,561	386,021	723,195
Rentals	24,632	24,090	15,480	14,290	20,010
Other	389,241	146,708	348,026	237,977	442,004
<i>Total Revenues</i>	<u>22,215,741</u>	<u>21,807,797</u>	<u>18,675,499</u>	<u>20,657,688</u>	<u>22,243,079</u>
Expenditures					
Current:					
General Government	4,638,074	4,432,001	4,652,214	4,833,025	4,619,198
Security of Persons and Property:					
Police	5,303,242	5,081,196	5,265,227	5,296,548	5,347,238
Fire	3,643,979	3,637,500	3,421,428	3,967,593	3,833,850
Public Health and Welfare	193,914	175,806	161,799	210,749	189,816
Leisure Time Activities	1,316,961	1,686,229	1,313,051	1,408,141	1,459,829
Community Development	859,349	1,255,407	911,782	1,728,246	1,034,540
Basic Utilities Services	1,010,797	1,054,778	1,046,474	1,025,646	879,667
Transportation	2,390,859	2,200,388	2,362,348	2,674,815	2,524,594
Capital Outlay	1,230,803	1,841,744	534,808	474,873	1,865,496
Debt Service:					
Principal Retirement	722,062	690,481	665,084	652,402	599,739
Interest and Fiscal Charges	526,162	466,198	493,363	519,709	572,980
Bond Issuance Costs	0	55,200	0	0	0
<i>Total Expenditures</i>	<u>21,836,202</u>	<u>22,576,928</u>	<u>20,827,578</u>	<u>22,791,747</u>	<u>22,926,947</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>379,539</u>	<u>(769,131)</u>	<u>(2,152,079)</u>	<u>(2,134,059)</u>	<u>(683,868)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	49,041	4,387	147,670	336,433	41,172
OPWC Loans Issued	518,349	0	0	0	0
General Obligation Bonds Issued	0	2,145,000	0	0	0
Premium on Bonds Issued	0	23,710	0	0	0
Discount on Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Inception of Capital Lease	0	3,575	0	40,845	0
Transfers In	4,018,869	3,858,052	3,554,148	4,701,390	5,874,801
Transfers Out	(4,018,869)	(3,858,052)	(3,554,148)	(4,701,390)	(5,874,801)
<i>Total Other Financing Sources (Uses)</i>	<u>567,390</u>	<u>2,176,672</u>	<u>147,670</u>	<u>377,278</u>	<u>41,172</u>
<i>Net Change in Fund Balances</i>	<u>\$946,929</u>	<u>\$1,407,541</u>	<u>(\$2,004,409)</u>	<u>(\$1,756,781)</u>	<u>(\$642,696)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.1%	5.9%	5.8%	5.5%	5.8%



2006	2005	2004	2003	2002
\$3,333,834	\$3,540,788	\$3,349,741	\$3,052,678	\$3,220,330
11,769,832	10,833,996	9,472,207	9,084,589	10,124,623
592,280	694,247	652,848	652,253	574,762
186,128	147,565	118,615	126,644	138,713
1,512,922	1,470,857	1,463,728	1,422,916	1,043,171
3,556,398	3,503,173	3,306,031	2,692,894	3,087,774
399,087	416,712	366,902	350,470	374,681
0	0	0	0	0
634,911	254,732	148,847	199,101	449,195
8,563	0	0	0	0
301,092	393,507	322,239	289,472	227,074
<u>22,295,047</u>	<u>21,255,577</u>	<u>19,201,158</u>	<u>17,871,017</u>	<u>19,240,323</u>
4,533,556	4,151,780	4,143,464	4,203,294	3,588,172
4,820,692	4,558,302	4,551,955	4,427,282	3,841,773
3,241,431	3,297,888	3,206,450	2,552,163	2,889,019
165,494	165,551	211,537	246,935	217,804
1,572,900	1,460,622	1,297,764	1,239,885	1,277,894
1,043,168	1,876,405	970,143	1,117,917	1,072,361
839,357	735,683	752,653	856,764	729,050
2,282,383	2,280,367	2,196,645	2,054,180	1,915,424
1,008,659	1,007,907	2,097,823	4,009,134	12,652,137
519,787	513,968	554,109	489,052	443,108
401,043	584,173	597,783	733,594	319,422
185,268	0	0	47,999	224,917
<u>20,613,738</u>	<u>20,632,646</u>	<u>20,580,326</u>	<u>21,978,199</u>	<u>29,171,081</u>
<u>1,681,309</u>	<u>622,931</u>	<u>(1,379,168)</u>	<u>(4,107,182)</u>	<u>(9,930,758)</u>
29,703	80,804	59,100	819,179	3,000
0	0	0	0	0
8,929,000	0	0	0	7,200,000
60,111	0	0	0	0
(54,376)	0	0	0	0
(7,501,400)	0	0	0	0
0	16,650	0	0	0
4,847,314	4,551,897	6,810,084	6,627,043	5,364,594
<u>(4,847,314)</u>	<u>(4,631,897)</u>	<u>(6,855,084)</u>	<u>(6,627,043)</u>	<u>(5,364,594)</u>
<u>1,463,038</u>	<u>17,454</u>	<u>14,100</u>	<u>819,179</u>	<u>7,203,000</u>
<u>\$3,144,347</u>	<u>\$640,385</u>	<u>(\$1,365,068)</u>	<u>(\$3,288,003)</u>	<u>(\$2,727,758)</u>
5.7%	5.9%	6.6%	7.6%	6.4%

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
2011	\$151,467,810	\$109,940,100	\$746,879,743	\$7,037,960	\$7,997,682
2010	151,771,630	115,119,760	762,546,829	6,869,490	7,806,239
2009	172,280,760	108,449,470	802,086,371	6,468,910	7,351,034
2008	171,872,930	101,454,280	780,934,886	8,318,020	9,452,295
2007	152,499,920	89,128,130	690,365,857	8,552,600	9,718,864
2006	152,594,310	87,156,280	685,001,686	9,323,120	10,594,455
2005	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2004	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818
2003	137,816,380	81,783,120	627,427,143	10,282,780	11,684,977
2002	137,814,680	82,927,810	630,692,829	11,224,870	12,755,534

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

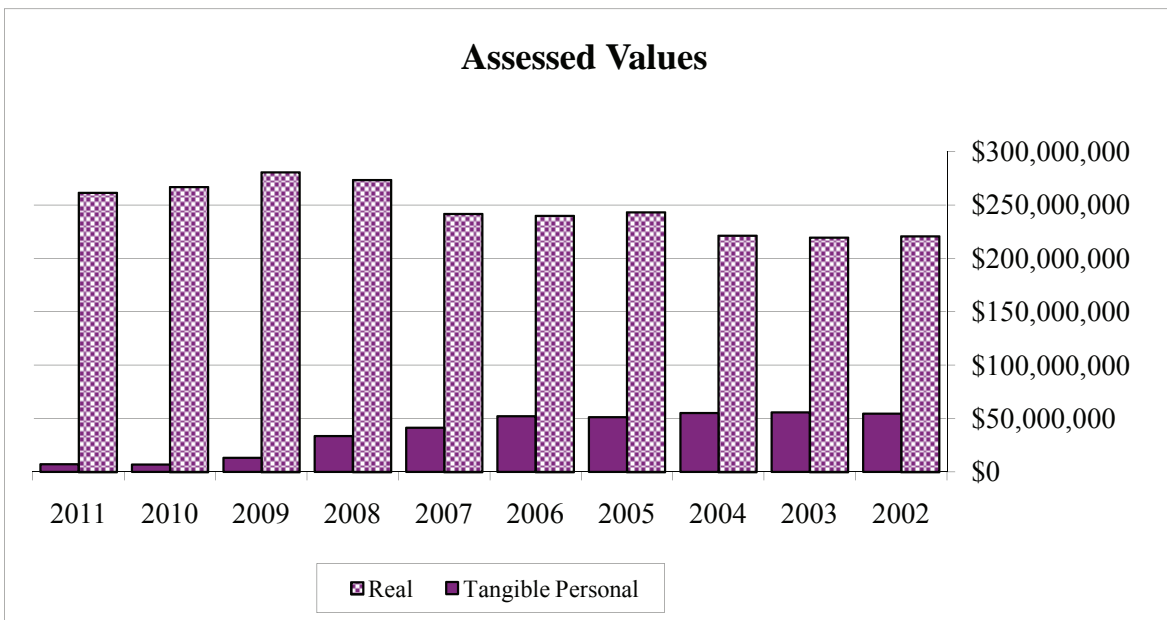
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Tangible Personal Property

General Business		Total		Ratio	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$268,445,870	\$754,877,425	35.56%	\$21.70
0	0	273,760,880	770,353,067	35.54	21.70
6,746,990	107,951,840	293,946,130	917,389,246	32.04	12.80
25,224,143	201,793,144	306,869,373	992,180,325	30.93	12.80
32,629,086	174,021,792	282,809,736	874,106,513	32.35	12.80
42,681,161	185,570,265	291,754,871	881,166,405	33.11	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



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

	2011	2010	2009	2008	2007
Unvoted Millage					
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
Voted Millage - by levy					
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000	2.8000
2009 Charter/Safety Forces Levy	8.9000	8.9000	0.0000	0.0000	0.0000
<i>Total Voted Millage</i>	<u>17.8200</u>	<u>17.8200</u>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>
Total Millage	<u><u>\$21.7000</u></u>	<u><u>\$21.7000</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	\$37.5823	\$38.6990	\$38.6966	\$30.9967	\$31.0146
Commercial/Industrial and Public Utility Real	47.2052	48.2579	48.1831	14.8100	42.9154
General Business and Public Utility Personal	71.3000	72.5000	72.5000	67.6000	67.6000
Cuyahoga County					
Residential/Agricultural Real	13.1182	13.1866	13.1789	12.6607	11.8689
Commercial/Industrial and Public Utility Real	12.7845	12.8412	12.8457	12.8153	12.4536
General Business and Public Utility Personal	13.2200	13.3200	13.3200	13.3200	13.4200
Special Taxing Districts (1)					
Residential/Agricultural Real	7.5041	7.4900	7.0069	6.6597	5.9676
Commercial/Industrial and Public Utility Real	7.3648	7.3450	6.9119	6.8911	6.2518
General Business and Public Utility Personal	7.5800	7.5800	7.2800	7.2800	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

2006	2005	2004	2003	2002
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000
0.0000	0.0000	0.0000	0.0000	0.0000
8.9200	8.9200	8.9200	8.9200	8.9200
\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$31.0133	\$33.9158	\$33.8874	\$28.9913	\$31.2275
43.1055	44.6558	44.6073	39.4438	39.9366
67.6000	67.4000	67.4000	62.5000	62.5000

11.8655	11.7227	10.9754	10.9899	12.4609
12.4941	12.5762	11.9846	12.0433	12.8764
13.4200	13.5200	13.5200	13.5200	14.6500

5.9669	6.2900	6.2880	4.7783	2.5323
6.2727	6.5552	6.5067	5.1811	2.5497
6.7800	6.7800	6.7800	5.8800	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)
2011	\$5,861,322	\$5,301,685	90.45%	\$283,869	\$5,585,554
2010	5,838,928	5,509,756	94.36	185,339	5,695,095
2009	3,695,369	3,465,784	93.79	152,322	3,618,105
2008	3,605,768	3,338,117	92.58	156,286	3,494,403
2007	3,573,911	3,341,562	93.50	180,513	3,522,075
2006	3,209,968	2,981,412	92.88	112,964	3,094,376
2005	3,180,491	3,043,735	95.70	143,694	3,187,429
2004	3,233,136	3,014,061	93.22	44,237	3,058,298
2003	2,956,252	2,804,509	94.87	99,856	2,904,365
2002	2,945,300	2,797,393	94.98	150,618	2,948,011

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
95.30%	\$908,736	15.50%
97.54	670,034	11.48
97.91	435,233	11.78
96.91	443,464	12.30
98.55	366,241	10.25
96.40	304,742	9.49
100.22	220,549	6.93
94.59	327,785	10.14
98.24	273,875	9.26
100.09	199,186	6.76

City of Bedford, Ohio
Principal Real Property Taxpayers
 2011 and 2002

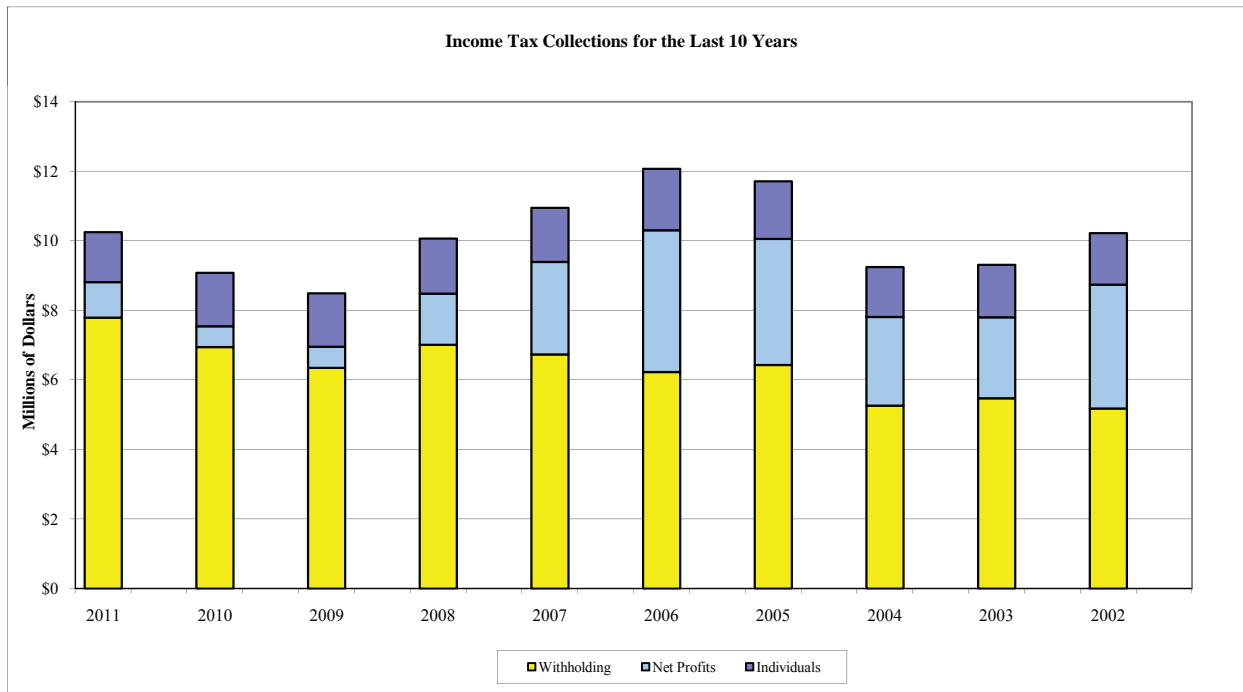
<i>2011</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Ben Venue Laboratories Incorporated	\$12,590,025	4.82 %
Wal-Mart Stores	6,610,700	2.53
Bear Creek Property Company	6,513,350	2.49
Cleveland Electric Illuminating Company	6,204,250	2.37
Bedford Colony Club Apartments	4,571,110	1.75
CSH-ING Woodside Village	3,164,040	1.21
HIN, LLC	2,800,010	1.07
University Hospitals Health Systems	2,782,090	1.06
Nextgen Group	2,141,170	0.82
Colony Club Apartments II	1,868,860	0.72
Total	\$49,245,605	18.84 %
Total Real Property Assessed Valuation	\$261,407,910	
<i>2002</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bear Creek Property Company	\$6,660,605	3.02 %
Meadowbrook Development Corporation	5,634,755	2.55
Cleveland Electric Illuminating Company	4,581,675	2.08
Bedford Colony Club Apartments	4,075,190	1.85
Ohio Bell Telephone Company	3,333,470	1.51
Aspen Woodside Village LLC	3,097,570	1.40
Ben Venue Laboratories Incorporated	2,713,130	1.23
Pick-N-Pay Supermarkets, Incorporated	2,700,005	1.22
Colony Club Apartments II	1,829,905	0.83
WXI Real Estate	1,642,025	0.74
Total	\$36,268,330	16.43 %
Total Real Property Assessed Valuation	\$220,742,490	

Source: Cuyahoga County Auditor

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

Tax Year	Tax Rate	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
2011	2.25%	\$10,249,624	\$7,793,289	76.03%	\$1,020,089	9.95%	\$1,436,246	14.01%
2010	2.25	9,079,417	6,948,561	76.53	598,624	8.17	1,532,232	16.88
2009	2.25	8,493,185	6,351,204	74.78	601,317	7.08	1,540,664	18.14
2008	2.25	10,071,372	7,007,660	69.58	1,472,435	14.62	1,591,277	15.80
2007	2.25	10,951,613	6,739,622	61.54	2,654,671	24.24	1,557,320	14.22
2006	2.25	12,078,770	6,229,296	51.57	4,082,128	33.80	1,767,346	14.63
2005	2.25	11,715,253	6,430,025	54.89	3,631,690	31.00	1,653,538	14.11
2004	2.25	9,249,995	5,264,879	56.92	2,547,691	27.54	1,437,425	15.54
2003	2.25	9,315,967	5,470,228	58.72	2,337,310	25.09	1,508,429	16.19
2002	2.25	10,223,290	5,181,699	50.69	3,562,665	34.85	1,478,926	14.46

Note: The City is statutorily prohibited from presenting individual taxpayer information.



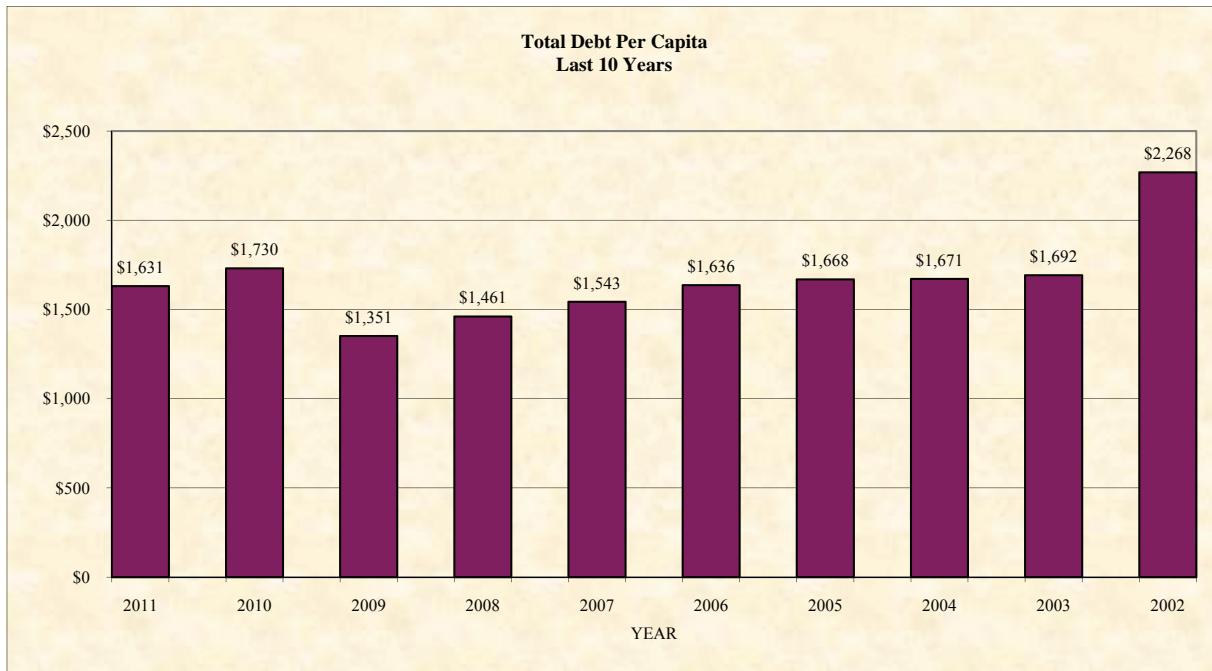
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	Bond Anticipation Notes	
2011	\$11,392,905	\$240,000	\$807,359	\$12,915	\$181,428	\$0	\$4,408,165
2010	11,963,792	310,000	337,199	22,845	185,871	0	4,652,674
2009	10,341,088	370,000	385,388	31,102	190,131	0	1,919,316
2008	10,861,303	430,000	433,577	42,712	194,216	0	2,145,609
2007	11,363,218	500,000	481,766	9,263	198,133	0	2,360,202
2006	11,816,833	570,000	529,955	12,458	201,888	0	2,563,095
2005	10,780,000	635,000	578,144	15,456	205,488	591,850	2,088,206
2004	11,165,000	710,000	626,333	1,133	208,940	0	2,261,551
2003	11,590,000	785,000	674,522	3,743	212,250	0	2,434,896
2002	11,855,000	850,000	722,711	111,432	215,424	5,000,000	3,210,000

Note: Population and Personal Income data are presented on page S32.

Business-Type Activities

Special Assessment Bonds	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$0	\$3,187,592	\$1,092,830	\$0	\$21,323,194	6.82%	\$1,631
0	0	3,977,893	1,168,124	0	22,618,398	7.23	1,730
0	0	4,729,073	1,243,418	0	19,209,516	6.73	1,351
0	0	5,442,910	1,210,512	0	20,760,839	7.28	1,461
0	0	6,121,100	899,418	0	21,933,100	7.69	1,543
0	0	6,765,264	793,921	0	23,253,414	8.15	1,636
0	0	7,376,946	835,931	608,150	23,715,171	8.31	1,668
40,000	0	7,957,546	785,311	0	23,755,814	8.32	1,671
80,000	0	8,224,551	45,796	0	24,050,758	8.43	1,692
120,000	1,070,000	8,366,857	49,959	670,400	32,241,783	11.30	2,268



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*

<u>Year</u>	<u>Population (1)</u>		<u>Estimated True Values of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2011	13,074	b	\$754,877,425	\$11,392,905	1.51 %	\$871.42
2010	13,074	b	770,353,067	11,963,792	1.55	915.08
2009	14,214	a	917,389,246	10,341,088	1.13	727.53
2008	14,214	a	992,180,325	10,861,303	1.09	764.13
2007	14,214	a	874,106,513	11,363,218	1.15	799.44
2006	14,214	a	881,166,405	11,816,833	1.34	831.35
2005	14,214	a	886,322,708	10,780,000	1.22	758.41
2004	14,214	a	832,745,122	11,165,000	1.34	785.49
2003	14,214	a	828,140,087	11,590,000	1.40	815.39
2002	14,214	a	816,469,791	11,855,000	1.45	834.04

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County Auditor

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

City of Bedford, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2011

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
Direct - City of Bedford			
General Obligation Bonds	\$11,392,905	100.00%	\$11,392,905
Special Assessment Bonds	240,000	100.00%	240,000
OPWC Loans	807,359	100.00%	807,359
Capital Leases	12,915	100.00%	12,915
Police Pension	181,428	100.00%	181,428
<i>Total Direct Debt</i>	<u>12,634,607</u> *		<u>12,634,607</u>
Overlapping			
Bedford School District			
General Obligation Bonds	5,161,954	37.68%	1,945,024
Loans	143,000	37.68%	53,882
Capital Leases	570,586	37.68%	214,997
Cuyahoga County			
General Obligation Bonds	298,113,842	0.92%	2,742,647
Capital Leases	20,851,000	0.92%	191,829
Revenue Bonds	166,580,000	0.92%	1,532,536
Loans	8,310,000	0.92%	76,452
Greater Cleveland Regional Transit Authority			
	<u>166,074,138</u>	0.92%	<u>1,527,882</u>
<i>Total Overlapping Debt</i>	<u>665,804,520</u>		<u>8,285,249</u>
Total	<u><u>\$678,439,127</u></u>		<u><u>\$20,919,856</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.

* \$8,780,800 of the total \$11,392,905 of total outstanding general obligation debt is backed by two revenue sources.

\$6,935,000 of general obligation bonds for the construction of the Municipal Complex is backed by 1/4 percent municipal income tax, effective for collections on January 1, 2000.

\$1,595,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$240,000 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 \$8,530,000 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio

Legal Debt Margin

Last Ten Years

	2011	2010	2009	2008
Population	13,074	13,074	14,214	14,214
Total Assessed Property Value	<u>\$268,445,870</u>	<u>\$273,760,880</u>	<u>\$293,946,130</u>	<u>\$306,869,373</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$16,130,000	\$16,970,000	\$12,680,000	\$13,455,000
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	240,000	310,000	370,000	430,000
Bond Anticipation Notes	0	0	0	0
OPWC Loans	1,900,189	1,505,323	1,628,806	1,644,089
OWDA Loans	<u>3,298,229</u>	<u>4,162,292</u>	<u>4,991,234</u>	<u>5,774,833</u>
Total Gross Indebtedness	21,568,418	22,947,615	19,670,040	21,303,922
Less:				
General Obligation Notes/Bonds	(11,360,400)	(12,075,900)	(9,809,700)	(10,473,500)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(240,000)	(310,000)	(370,000)	(430,000)
OPWC Loans	(1,900,189)	(1,505,323)	(1,628,806)	(1,488,054)
OWDA Loans	(3,298,229)	(4,162,292)	(4,991,234)	(5,774,833)
General Obligation Bond Retirement Fund Balance	<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>	<u>(20,324)</u>
Total Net Debt Applicable to Debt Limit	<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>	<u>3,117,211</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>28,186,816</u>	<u>28,744,892</u>	<u>30,864,344</u>	<u>32,221,284</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,459,472</u>	<u>\$23,856,250</u>	<u>\$27,994,571</u>	<u>\$29,104,073</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.23%	82.99%	90.70%	90.33%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$14,764,523</u>	<u>\$15,056,848</u>	<u>\$16,167,037</u>	<u>\$16,877,816</u>
Total Gross Indebtedness	21,568,418	22,947,615	19,670,040	21,303,922
Less:				
General Obligation Notes/Bonds	(11,360,400)	(12,075,900)	(9,809,700)	(10,473,500)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(240,000)	(310,000)	(370,000)	(430,000)
OPWC Loans	(1,900,189)	(1,505,323)	(1,628,806)	(1,488,054)
OWDA Loans	(3,298,229)	(4,162,292)	(4,991,234)	(5,774,833)
General Obligation Bond Retirement Fund Balance	<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>	<u>(20,324)</u>
Net Debt Within 5 ½ % Limitations	<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>	<u>3,117,211</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,037,179</u>	<u>\$10,168,206</u>	<u>\$13,297,264</u>	<u>\$13,760,605</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	67.98%	67.53%	82.25%	81.53%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
14,214	14,214	14,214	14,214	14,214	14,214
<u>\$282,809,736</u>	<u>\$291,754,871</u>	<u>\$294,249,915</u>	<u>\$276,354,300</u>	<u>\$275,248,992</u>	<u>\$275,222,717</u>
\$14,200,000	\$14,379,928	\$12,925,000	\$13,490,000	\$14,095,000	\$15,065,000
0	0	0	0	0	1,070,000
500,000	570,000	635,000	750,000	865,000	970,000
0	0	1,200,000	0	0	0
1,381,184	1,323,876	615,614	667,965	720,318	772,670
6,526,785	7,244,711	7,930,155	8,586,780	9,211,698	8,769,032
22,607,969	23,518,515	23,305,769	23,494,745	24,892,016	26,646,702
(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)	(12,024,896)	(13,065,000)
0	0	0	0	0	(1,070,000)
(500,000)	(570,000)	(635,000)	(750,000)	(865,000)	(970,000)
(1,381,184)	(1,323,876)	(615,614)	(667,965)	(720,318)	(772,670)
(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)	(9,211,698)	(8,769,032)
(229,285)	(334,663)	(47,795)	(47,543)	(79,634)	(84,136)
2,860,115	2,417,170	3,042,205	1,897,457	1,990,470	1,915,864
29,695,022	30,634,261	30,896,241	29,017,202	28,901,144	28,898,385
<u>\$26,834,907</u>	<u>\$28,217,091</u>	<u>\$27,854,036</u>	<u>\$27,119,745</u>	<u>\$26,910,674</u>	<u>\$26,982,521</u>
90.37%	92.11%	90.15%	93.46%	93.11%	93.37%
<u>\$15,554,535</u>	<u>\$16,046,518</u>	<u>\$16,183,745</u>	<u>\$15,199,487</u>	<u>\$15,138,695</u>	<u>\$15,137,249</u>
22,607,969	23,518,515	23,305,769	23,494,745	24,892,016	26,646,702
(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)	(12,024,896)	(13,065,000)
0	0	0	0	0	(1,070,000)
(500,000)	(570,000)	(635,000)	(750,000)	(865,000)	(970,000)
(1,381,184)	(1,323,876)	(615,614)	(667,965)	(720,318)	(772,670)
(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)	(9,211,698)	(8,769,032)
(229,285)	(334,663)	(47,795)	(47,543)	(79,634)	(84,136)
2,860,115	2,417,170	3,042,205	1,897,457	1,990,470	1,915,864
<u>\$12,694,420</u>	<u>\$13,629,348</u>	<u>\$13,141,540</u>	<u>\$13,302,030</u>	<u>\$13,148,225</u>	<u>\$13,221,385</u>
81.61%	84.94%	81.20%	87.52%	86.85%	87.34%

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

Year	Water Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2011	\$4,491,419	\$3,871,249	\$620,170	\$20,000	\$0	31.01
2010	4,439,060	4,317,927	121,133	20,000	0	6.06
2009	4,122,298	3,687,421	434,877	10,000	0	43.49
2008	3,837,269	3,048,014	789,255	0	0	n/a
2007	3,645,886	3,295,844	350,042	0	0	n/a
2006	3,296,917	3,013,410	283,507	0	0	n/a
2005	3,434,611	3,079,704	354,907	0	0	n/a
2004	3,226,988	3,018,532	208,456	0	0	n/a
2003	3,054,900	3,013,467	41,433	80,000	70,835	0.27
2002	3,292,588	2,864,202	428,386	75,000	180,536	1.68

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

(2) Direct operating expenses do not include depreciation.

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

Source: City Financial Records

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

Year	Wastewater Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2011	\$2,268,819	\$1,334,752	\$934,067	\$919,357	\$173,759	0.85
2010	2,210,152	1,437,937	772,215	900,236	236,069	0.68
2009	2,151,622	1,375,304	776,318	837,884	250,222	0.71
2008	2,159,995	1,145,837	1,014,158	797,229	284,358	0.94
2007	2,154,440	1,498,860	655,580	763,203	325,221	0.60
2006	2,024,507	1,376,482	648,025	730,721	352,377	0.60
2005	2,210,383	1,296,688	913,695	679,082	383,294	0.86
2004	2,099,552	1,254,218	845,334	629,080	413,069	0.81
2003	2,098,879	1,083,100	1,015,779	521,828	344,265	1.17
2002	2,299,155	1,537,132	762,023	497,847	347,892	0.90

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

(2) Direct operating expenses do not include depreciation.

Source: City Financial Records

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

2011		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	1,443	9.83%
University Hospitals Health Systems	1,016	6.92
Wal-Mart Associates Inc.	668	4.55
Bedford City School District	439	2.99
US Bank National Association	381	2.59
City of Bedford	342	2.33
Jay Pontiac Inc.	211	1.44
Riser Foods Company	180	1.23
Tim Lally Chevrolet Inc.	140	0.95
Setjo LLC.	139	0.94
Total	4,959	33.77%
Total Employment within the City	14,684	

2002		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	859	5.50%
University Hospital Health Systems	721	4.61
Bedford City School District	568	3.63
Target Division of Dayton Hudson	411	2.63
City of Bedford	323	2.07
TOPS Inc.	230	1.47
Alltel Communications	229	1.47
Riser Foods Company	193	1.23
Tim Lally Chevrolet Inc.	178	1.14
Jay Pontiac Inc.	158	1.01
Total	3,870	24.76%
Total City Employees	15,630	

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



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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2011	13,074	\$312,808,524	\$23,926	\$42,171	44
2010	13,074	312,808,524	23,926	42,171	44
2009	14,214	285,360,264	20,076	36,943	39
2008	14,214	285,360,264	20,076	36,943	39
2007	14,214	285,360,264	20,076	36,943	39
2006	14,214	285,360,264	20,076	36,943	39
2005	14,214	285,360,264	20,076	36,943	39
2004	14,214	285,360,264	20,076	36,943	39
2003	14,214	285,360,264	20,076	36,943	39
2002	14,214	285,360,264	20,076	36,943	39

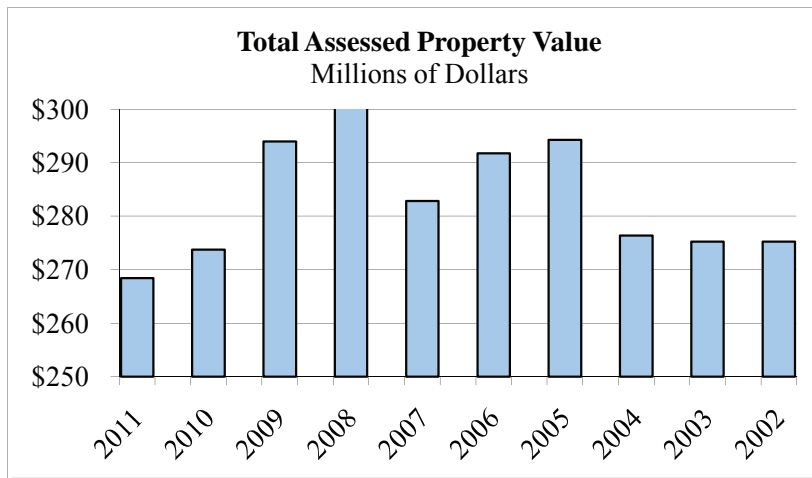
(1) Source: U. S. Census

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

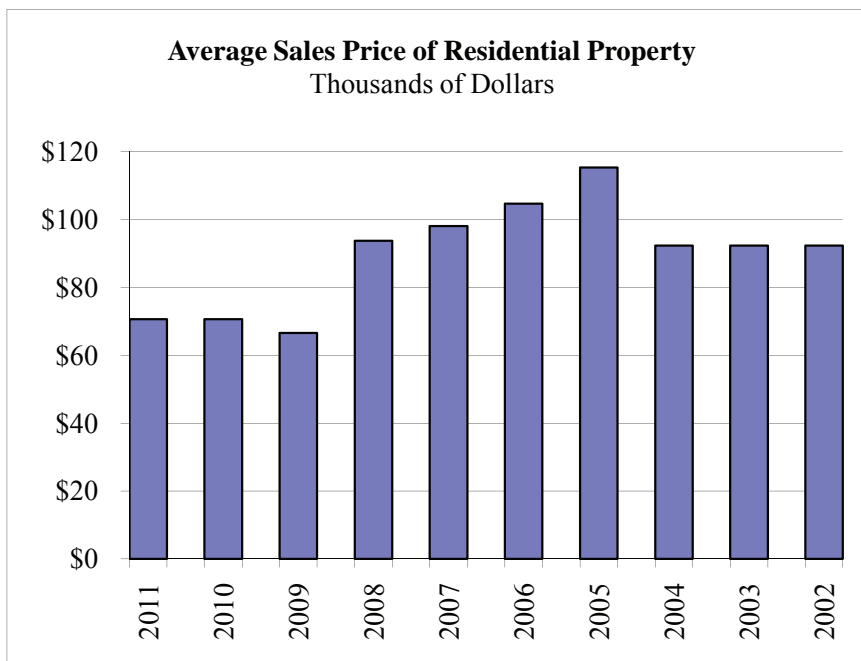
(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
16.7%	4,011	7.1%	\$70,721	\$268,445,870
16.7	4,011	8.6	70,721	273,760,880
18.2	4,170	9.0	66,630	293,946,130
18.2	4,108	7.1	93,827	306,869,373
18.2	3,925	6.1	98,124	282,809,736
18.2	3,908	5.5	104,772	291,754,871
18.2	3,680	5.9	115,395	294,249,915
18.2	3,912	6.3	92,400	276,354,300
18.2	3,637	6.2	92,400	275,248,992
18.2	3,720	5.7	92,400	275,222,717



City of Bedford, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2011	2010	2009	2008
General Government				
Council	8.00	8.00	8.00	8.00
Finance	5.00	5.50	5.50	5.50
Tax	3.50	3.50	3.00	3.50
City Manager	1.00	1.00	0.00	1.00
Law	1.00	1.00	1.50	1.00
Administration	2.00	3.00	2.50	4.00
Engineer	0.50	0.50	0.50	0.50
Planning	2.00	2.00	2.00	2.00
Civil Service	2.50	2.50	2.50	2.50
Court	33.50	33.50	31.50	35.50
Public Building	5.00	5.00	3.50	5.50
Security of Persons and Property				
Police	31.00	32.00	31.00	35.00
Police - Auxiliary/Guards	16.50	14.50	14.50	16.00
Police - Dispatchers/Office/Other	13.50	14.00	15.00	15.50
Police - Jailers	2.50	2.50	2.50	2.50
Police - Animal Wardens	3.00	2.00	2.00	2.50
Fire	27.00	26.00	27.00	27.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00
Public Health Services				
Cemetery	2.00	2.00	1.00	1.00
Leisure Time Activities				
Recreation	18.50	17.50	14.50	20.00
Municipal Pool	16.00	16.00	15.50	16.50
Ellenwood Center	3.50	3.50	5.50	3.50
Community Development				
Building	5.50	5.50	5.50	5.50
Economic Development	1.00	1.00	1.00	2.00
Transportation				
Service	19.00	17.50	19.50	20.50
Street Maintenance and Repair	8.00	8.00	2.00	6.50
Basic Utility Services				
Water	8.50	8.50	8.50	9.00
Wastewater	10.50	10.50	10.00	10.50
Totals:	<u>251.00</u>	<u>247.50</u>	<u>236.50</u>	<u>263.50</u>

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

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

2007	2006	2005	2004	2003	2002
8.00	8.00	8.00	8.00	8.00	8.00
5.50	5.50	5.50	5.00	5.50	5.50
3.50	3.50	3.00	3.50	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.50	1.50	1.00
4.00	4.50	4.50	4.50	4.50	4.50
0.50	0.50	0.50	0.50	0.50	0.50
1.50	1.50	1.50	1.50	1.50	1.50
2.50	2.00	2.00	2.00	2.00	2.00
36.50	34.50	30.00	35.00	35.00	35.00
5.00	5.00	5.00	4.00	4.00	2.00
33.00	33.00	32.00	32.00	30.00	30.00
16.50	17.50	12.50	12.50	13.00	13.00
15.00	10.00	12.50	12.50	13.50	13.50
2.50	3.00	2.00	3.00	2.00	2.00
1.50	2.00	2.00	2.00	1.50	1.50
30.00	30.00	28.00	29.00	30.00	30.00
1.50	1.50	1.50	1.50	1.50	1.50
1.00	2.00	1.50	1.50	2.50	2.50
19.00	17.50	14.00	14.00	14.00	1.50
17.50	16.00	15.00	15.00	15.50	15.00
5.50	5.00	6.50	6.50	5.50	4.50
5.50	5.00	5.00	5.00	5.00	5.00
2.00	1.50	1.50	1.50	1.50	1.50
20.00	20.50	24.50	24.50	21.00	23.00
6.50	6.50	4.50	4.50	5.00	4.00
8.50	7.00	9.50	9.50	8.50	7.50
10.00	11.00	11.00	11.00	11.50	11.00
<u>264.50</u>	<u>256.00</u>	<u>245.50</u>	<u>252.00</u>	<u>248.00</u>	<u>231.00</u>

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

Function/Program	2011	2010	2009	2008
General Government				
<i>Council & Clerk</i>				
Number of Ordinances Passed	140	231	276	265
Number of Resolutions Passed	13	25	17	23
<i>Finance Department</i>				
Number of checks/ vouchers issued	4,029	4,158	4,089	4,377
Amount of checks written	\$22,586,194	\$22,247,906	\$22,593,479	\$23,125,393
Interest earnings for fiscal year (cash basis)	\$78,405	\$80,918	\$261,084	\$536,297
Number of Receipts issued	2,088	1,798	1,802	1,677
Number of Journal Entries issued	1,078	1,043	1,015	1,166
Number of Budget Adjustments issued	102	93	88	115
Agency Ratings - Standard & Poors	AA	AA	AA-	AA-
Agency Ratings - Moody's Financial Services	AA2	AA2	A1	A1
Health Insurance Costs vs General Fund Expenditures %	13.75%	11.33%	12.98%	13.25%
General Fund Receipts (cash basis in thousands)	\$21,682	\$20,947	\$20,887	\$21,478
General Fund Expenditures (cash basis in thousands)	\$14,663	\$14,832	\$17,007	\$17,047
General Fund Cash Balances (in thousands)	\$7,818	\$6,598	\$6,283	\$7,903
<i>Income Tax Department</i>				
Number of Individual Returns	6,474	6,509	6,324	6,760
Number of Business Returns	2,739	2,689	2,784	2,877
Number of business withholding accounts	872	1,015	1,249	1,230
Amount of Penalties and Interest Collected	\$114,277	\$158,390	\$134,751	\$134,751
Annual number of Corporate withholding forms processed	4,568	6,598	7,332	7,296
Annual number of balance due statements forms processed	13,272	13,754	16,407	15,509
Annual number of estimated payment forms processed	7,610	8,622	9,835	11,530
Annual number of reconciliations of withholdings processed	1,011	1,154	1,026	1,296
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$1,969,866	\$2,302,984	\$377,787	\$1,453,306
<i>Municipal Court</i>				
Number of Civil Cases	6,225	4,558	4,664	5,770
Number of Criminal cases	9,610	9,869	10,675	11,400
<i>Vital Statistics</i>				
Certificates Filed				
Number of Births	2	4	1	1
Number of Deaths	228	242	233	266
Certificates Issued				
Number of Births	347	535	685	859
Number of Deaths	1,044	1,112	1,104	1,385
Burial Permits Issued	757	668	646	698
<i>Civil Service</i>				
Number of police entry tests administered	1	0	0	0
Number of fire entry tests administered	0	1	0	0
Number of police promotional tests administered	0	1	0	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	2	0	0	2
Number of hires of Fire/Medics from certified lists	0	0	0	0
Number of promotions from police certified lists	1	0	1	3
Number of promotions from fire certified lists	0	0	0	1

2007	2006	2005	2004	2003	2002
133	90	117	90	56	84
9	9	20	27	17	22
4,795	4,428	5,658	5,144	4,701	4,844
\$24,035,165	\$21,085,783	\$24,398,291	\$22,180,264	\$24,678,378	\$33,169,166
\$948,213	\$710,467	\$416,804	\$221,336	\$263,675	\$738,521
1,665	1,628	1,717	1,672	1,716	1,981
1,059	826	808	701	697	684
112	122	136	163	134	110
AA-	AA-	A+	A+	A+	A+
A1	A1	A1	A1	A1	A1
12.49%	11.79%	12.01%	14.25%	9.85%	9.99%
\$22,709	\$17,725	\$16,088	\$14,958	\$14,128	\$15,801
\$23,570	\$15,203	\$15,299	\$15,299	\$15,535	\$14,146
\$9,392	\$10,214	\$7,613	\$7,316	\$7,657	\$9,064
6,808	7,274	7,973	8,660	11,336	10,000
2,650	2,700	2,575	2,693	2,525	2,000
1,610	1,861	1,885	1,929	1,396	n/a
\$135,901	\$255,463	\$133,572	\$124,942	\$112,013	\$120,607
9,088	10,076	10,372	10,772	n/a	n/a
13,486	15,939	17,016	17,397	n/a	n/a
12,007	12,385	12,619	12,646	n/a	n/a
1,625	1,884	1,910	1,941	n/a	n/a
\$1,981,083	\$572,572	\$2,582,246	\$2,130,797	\$1,729,184	\$3,828,951
5,267	4,577	4,378	4,074	3,642	3,378
10,732	10,289	10,521	11,254	11,875	12,345
2	2	2	436	398	465
232	255	261	196	241	291
1,055	1,226	1,239	1,369	1,459	1,668
960	1,327	1,487	1,101	1,574	1,651
606	465	454	462	602	633
1	1	1	0	0	1
0	1	1	0	0	0
2	0	0	1	1	0
1	0	0	0	0	1
0	0	0	2	0	0
0	0	0	0	0	0
0	0	0	1	1	5
0	0	0	0	0	5

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

Function/Program	2011	2010	2009	2008
<i>Building Department Indicators</i>				
Construction Permits Issued	132	129	145	129
Estimated Value of Construction	\$2,608,998	\$20,457,039	\$1,438,179	\$6,321,592
Number of all permits issued	820	806	759	848
Amount of Revenue generated from permits	\$47,116	\$60,187	\$29,842	\$77,938
Number of contract registrations issued	463	471	495	450
Number of rental inspections performed	590	564	475	451
Number of point of sale inspections	221	228	227	253
Annual Apartment/Rooming House License Fees	\$36,190	\$37,830	\$38,900	\$36,040
Revenue generated from inspections	\$80,795	\$82,905	\$83,120	\$87,985
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	22,236	22,378	23,467	24,866
Number of traffic citations issued	1,329	1,887	2,233	2,505
Number of parking citations issued	942	1,493	1,447	1,438
Number of criminal arrests	2,233	1,978	2,367	2,284
Number of accident reports completed	309	307	336	470
Part 1 Offenses (major offenses)	703	571	669	600
Animal Warden service calls responded to per annual report	1,549	1,469	1,532	1,542
Police Dept. Auxiliary hours worked	3,566	3,303	4,315	3,529
DUI Arrests	42	46	44	48
Prisoners	1,717	1,562	1,860	1,672
Prisoner meal costs	\$17,798	\$16,013	\$30,929	\$28,509
Juvenile Arrests	188	289	349	455
Different Juvenile Arrests	252	223	267	268
Juvenile Repeat Offenders	22	38	51	65
Motor Vehicle Accidents	308	302	323	459
Property damage accidents	5	18	30	36
Fatalities from Motor Vehicle Accidents	1	1	0	2
Gasoline costs of fleet	\$72,985	\$46,347	\$55,521	\$86,900
Community Diversion Program Youths	24	38	64	49
Community Diversion Program - community service hours	348	408	548	516
<i>Fire</i>				
EMS Calls	1,849	1,776	1,673	1,954
Ambulance Billing Collections (net)	\$459,828	\$359,515	\$400,528	\$429,346
Fire Calls	716	917	583	502
Fires with Loss	16	14	13	28
Fires with Losses exceeding \$25K	0	1	6	2
Fire Losses \$	\$181,800	\$112,650	\$299,000	\$160,170
Fire Safety Inspections	363	369	392	393
Number of times Mutual Aid given to Fire and EMS	78	70	105	111
Number of times Mutual Aid received for Fire and EMS	127	123	89	13
Public Health & Welfare				
Cemetery burials	33	37	289	23
Cemetery cremations	13	9	17	13
Cemetery sale of lots	121	20	45	40
Cemetery receipts	\$75,588	\$32,865	\$45,120	\$39,230

2007	2006	2005	2004	2003	2002
127	127	120	145	155	181
\$27,740,947	\$5,260,975	\$36,405,800	\$6,370,050	\$3,594,730	\$42,117,927
905	912	918	896	851	1,021
\$162,079	\$65,057	\$64,474	\$41,899	\$40,099	\$62,639
517	605	453	441	441	551
442	470	503	398	397	344
304	347	342	335	300	270
\$37,780	\$31,550	\$7,560	\$8,495	\$9,375	\$8,345
\$85,780	\$92,712	\$59,803	\$56,620	\$60,690	\$55,780
22,454	15,000	10,536	10,042	9,858	10,421
2,568	2,574	3,214	2,462	3,602	4,070
1,280	1,434	1,427	1,506	1,648	1,903
1,718	1,863	1,610	2,204	1,546	1,663
553	486	544	584	573	571
657	576	540	480	407	564
1,535	1,732	1,566	2,186	1,478	1,470
3,439	2,668	2,892	2,758	2,345	2,276
35	48	50	77	71	59
1,456	1,510	1,415	1,482	1,338	1,393
\$20,517	\$16,139	\$14,157	\$15,754	\$15,019	\$11,988
340	332	168	n/a	n/a	n/a
253	253	159	n/a	n/a	n/a
49	47	9	n/a	n/a	n/a
541	486	526	584	573	563
430	422	452	501	491	472
1	0	1	1	0	0
\$67,244	\$45,645	\$36,301	\$38,858	\$31,231	\$26,256
45	45	75	73	49	70
648	670	1,048	1,026	820	956
1,704	1,536	1,629	1,608	1,397	1,483
\$354,920	\$348,187	\$390,749	\$282,012	\$252,084	\$254,885
526	505	540	449	417	382
44	35	28	25	30	25
6	3	8	7	5	4
\$427,900	\$251,950	\$459,700	\$401,150	\$365,400	\$135,510
398	398	425	464	343	296
166	168	115	133	144	117
42	43	62	60	41	43
39	42	35	38	50	29
9	22	19	22	20	16
36	28	46	90	57	46
\$43,705	\$45,941	\$48,380	\$66,517	\$46,207	\$35,553

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

Function/Program	2011	2010	2009	2008
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$40,704	\$40,128	\$35,152	\$39,378
Recreation Mens & Womens Leagues receipts	40,960	41,249	45,542	31,948
Senior Van Fees	2,766	2,804	2,793	2,268
Playground Registration	15,325	21,027	19,930	20,509
Ellenwood Facilities rentals	25,418	26,504	24,278	19,857
	<u>\$125,173</u>	<u>\$131,712</u>	<u>\$127,695</u>	<u>\$113,960</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$1,051,580	\$664,367	\$11,913	\$461,066
Basic Utility Services				
Refuse disposal per year (in tons) August through July	4,667	4,717	4,769	5,200
Refuse disposal costs per year August through July	\$669,194	\$715,970	\$723,149	\$719,902
Cost per household per month	\$12	\$13	\$13	\$13
Annual recycling tonnage (excluding leaf, and compost items)	388	347	379	439
Percentage of waste recycled	7.68%	6.85%	7.36%	7.79%
Transportation				
Street Improvements - asphalt overlay (linear feet)	9,650	36,900	0	5,200
Rejuvenating Spray on Streets (Miles)	0.00	0.00	0.00	0.00
Crackseal Coating Program (Miles)	7.20	7.20	70.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	3,832	3,410	4,049	4,180
Guardrail Repair (hours)	48	48	48	48
Paint Striping (hours)	808	680	1,013	876
Street Sweeper (hours)	448	808	702	831
Cold Patch (hours)	1,800	1,392	2,729	1,868
Snow & Ice Removal regular hours	946	1,558	760	730
Snow & Ice Removal overtime hours	987	1,864	855	1,598
Sewer and Sanitary calls for service	974	894	956	834
After hours Sewer Calls (hours)	371	331	416	1,506
Sewer Crew (hours)	2,168	2,494	3,718	3,747
Sewer jet, Vac-all, other services (hours)	3,249	2,423	1,993	2,209
Landscaping Stump-Chipper service (hours)	5,406	4,947	4,190	6,003
Leaf collection (hours)	2,083	2,313	2,424	2,243
Holiday lights setup (hours)	1,644	1,636	1,444	1,352
Downtown Square Repair after events (hours)	69	60	340	340
Equipment repair/body shop (hours)	5,734	6,391	6,945	6,842
Sign department (hours)	789	856	456	1,502
Number of Trees Planted per year	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	5,838	5,821	5,793	1,510
Cost of salt purchased	\$261,845	\$261,002	\$252,186	\$128,362
Tons of road traction ice grits purchased	0	0	0	1,316
Cost of ice grits purchased	\$0	\$0	\$0	\$21,842
Water Department				
Water Rates per 1st 300 Cu ft of water used	\$24	\$23	\$21	\$19
Avg. number of water accounts billed monthly (Cu. Ft.)	5,005	5,003	5,008	4,999
Total Water Collections Annually (Including P&I)	\$4,021,989	\$4,341,474	\$3,954,828	\$3,532,663
Payments to Cleveland for bulk water purchases	\$2,810,055	\$3,447,605	\$2,868,742	\$2,637,600
Wastewater Department				
Wastewater Rates per 1st 300 Cu ft of water used	\$15.00	\$15.00	\$14.00	\$14.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.975	0.868	0.879	0.966
Average daily flow (Millions of gallons per day)	2.910	2.379	2.407	2.638
Tons of dry sludge removed	251.70	250.40	242.73	228.14

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

2007	2006	2005	2004	2003	2002
\$37,950	\$37,637	\$36,687	\$27,857	\$34,556	\$42,043
21,666	15,513	18,962	18,979	25,217	22,282
2,175	2,403	2,593	2,955	3,056	3,050
23,410	17,833	10,750	2,390	2,210	1,785
18,723	21,050	26,274	23,237	25,792	26,767
<u>\$103,924</u>	<u>\$94,436</u>	<u>\$95,266</u>	<u>\$75,418</u>	<u>\$90,831</u>	<u>\$95,927</u>
\$457,011	\$1,109,423	\$269,071	\$195,472	\$551,560	\$219,277
5,308	5,955	5,751	5,909	5,878	6,090
\$509,870	\$544,013	\$490,430	\$478,351	\$462,900	\$508,996
\$9	\$10	\$9	\$8	\$8	\$9
440	514	487	599	735	593
7.65%	7.95%	7.81%	9.20%	11.11%	8.87%
0	0	16,400	6,650	25,100	11,900
0.00	1.15	1.15	2.26	2.66	2.66
7.20	7.20	7.20	7.20	7.20	7.20
3,577	4,508	3,941	3,844	4,663	2,600
48	36	40	144	16	80
960	1,439	1,668	1,012	728	1,240
754	760	832	1,004	975	975
1,248	1,924	2,419	2,492	993	1,795
630	316	608	760	580	612
1,125	473	1,807	1,349	1,581	934
845	1,002	894	869	894	952
1,636	1,765	1,865	1,727	1,412	1,703
3,632	3,690	3,806	3,481	3,432	3,568
1,573	3,483	411	2,226	890	207
5,320	5,574	5,429	4,796	5,532	5,238
2,670	2,310	2,136	2,566	2,686	3,114
1,449	1,605	1,798	1,699	1,452	1,803
340	682	420	420	300	120
5,591	7,574	7,658	6,824	6,486	6,842
1,559	1,541	1,332	2,177	2,145	2,032
60-80	60-80	60-80	60-80	60-80	60-80
6,885	6,132	6,578	6,900	7,900	3,200
\$269,153	\$230,080	\$218,854	\$193,980	\$225,308	\$133,120
0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$17	\$17	\$16	\$16	\$15	\$15
5,004	4,967	4,899	4,911	4,961	4,982
\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975
\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987	\$2,544,728	\$2,339,734
\$13.18	\$13.18	\$13.18	\$13.18	\$13.18	\$13.18
0.949	1.018	1.018	1.054	1.024	0.913
2.601	2.764	2.788	2.880	2.806	2.502
233.04	266.06	214.42	205.71	199.09	167.98

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

Function/Program	2011	2010	2009	2008	2007
General Government					
Square Footage Occupied	44,035	44,035	44,035	44,035	44,035
Administrative Vehicles	2	2	2	3	2
Inspection Vehicles	2	3	3	3	3
Municipal Court Vehicles	2	1	1	2	2
Lands & Buildings Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667	21,667
Vehicles	22	22	22	23	22
Fire					
Stations	1	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774	14,774
Vehicles	12	13	12	12	10
Recreation					
Number of Parks	4	4	4	4	4
Number of Pools	1	1	1	1	1
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	7	7	7	7	7
Number of Tot Lots	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433	25,433
Vehicles	13	13	13	15	14
Other Public Works					
Streets (miles)	48	48	48	48	48
Service Vehicles	60	60	57	58	55
Wastewater					
Sanitary Sewers (miles)	41.80	41.80	41.80	41.80	41.80
Storm Sewers (miles)	48.70	48.70	48.70	48.70	48.70
Vehicles	6	6	7	7	6
Water Department					
Water Lines (miles)	100	100	100	100	100
Vehicles	7	7	8	7	4

Source: City of Bedford

2006	2005	2004	2003	2002
44,035	44,035	44,035	44,035	30,559
2	2	2	1	1
3	3	3	3	3
2	2	2	2	2
2	2	2	2	1
1	1	1	1	1
21,667	21,667	21,667	21,667	3,511
20	20	20	20	19
1	1	1	1	1
14,774	14,774	14,774	14,774	3,652
10	10	10	9	9
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
7	7	7	7	7
4	4	4	4	4
1	1	1	1	1
25,433	25,433	25,433	25,433	25,433
13	13	11	11	10
48	48	48	48	48
54	55	51	49	49
41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70
6	6	6	6	5
100	100	100	100	100
4	4	4	4	4

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

Function/Program	2011	2010	2009	2008
General Government				
Municipal Complex				
City Hall Building	\$2,893,238	\$2,790,117	\$2,765,189	\$2,629,059
City Hall Miscellaneous Equipment	807,330	770,765	771,779	741,201
Garage	38,655	37,026	36,674	35,605
Radio Building	12,254	11,810	11,701	11,125
Radio Tower	40,490	39,549	39,348	36,119
Police				
Municipal Complex				
Justice Center Building	13,720,291	13,232,422	13,089,869	12,445,472
Justice Center Miscellaneous Equipment	2,118,607	2,052,055	2,018,069	1,874,287
Fire				
Municipal Complex				
Station Building	3,095,396	2,985,454	2,958,158	2,812,538
Station Miscellaneous Equipment	938,759	843,619	816,287	714,104
<i>Total Municipal Complex</i>	<u>\$23,665,020</u>	<u>\$22,762,817</u>	<u>\$22,507,074</u>	<u>\$21,299,510</u>
Recreation				
Ellenwood Rec Center				
Building	\$4,371,021	\$4,214,709	\$4,176,817	\$3,971,176
Municipal Pool				
Bathhouse Building	275,905	266,485	264,044	242,512
Swimming Pool	1,001,340	968,039	960,261	894,439
Other Public Works				
Service				
Garage - Solon Road	1,825,956	1,756,094	1,690,926	1,573,218
Garage - Salt Storage	84,856	81,280	80,507	78,162
Administration Building	443,286	414,777	410,833	n/a
Cemetery				
Storage Building	153,928	147,480	146,091	141,804

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Year Asset Completed, Constructed or Received</u>	<u>Construction Costs</u>	<u>Replacement Factor Increase</u>
\$2,571,532	\$2,145,077	\$2,272,641	2003	\$2,030,818	36.16 %
706,017	662,990	632,257	Various	561,893	37.35
35,114	32,584	31,087	2003	27,419	33.75
10,890	10,058	9,618	1997	7,317	59.92
35,060	32,460	31,122	2003	27,378	43.72
12,172,350	11,253,749	10,758,102	2003	9,573,704	36.73
1,793,900	1,703,307	1,526,194	Various	1,245,745	62.00
2,750,580	2,543,267	2,431,164	2003	2,162,658	36.78
618,296	573,755	519,219	Various	502,303	62.51
<u>\$20,693,739</u>	<u>\$18,957,247</u>	<u>\$18,211,404</u>		<u>\$16,139,235</u>	39.46
\$3,880,354	\$3,582,170	\$3,424,798	1964, 1984, 1998	\$780,688	435.02
217,214	200,749	191,934	1969	58,986	347.64
477,207	443,171	425,676	1969, 1993	817,542	17.46
1,491,010	1,266,187	1,210,810	1953, 1972, 1979	545,316	210.08
77,083	71,532	68,243	1992	45,585	76.61
n/a	n/a	n/a	2009	389,322	5.53
139,802	129,765	123,788	1985	67,414	116.71

(continued)

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

Function/Program	2011	2010	2009	2008
Wastewater				
Sewage Treatment Plant				
Administration Building	\$158,089	\$152,361	\$150,957	\$143,522
Administration Miscellaneous Equipment	383,650	372,129	371,759	351,360
Laboratory Building	300,058	290,131	287,887	273,737
Laboratory Miscellaneous Equipment	142,306	139,761	139,626	133,040
Filter Building	256,142	246,860	244,585	232,540
Filter Miscellaneous Equipment	464,323	455,754	455,298	433,123
Primary Settling Tanks	741,676	717,011	711,251	320,057
Primary Settling Tanks - Miscellaneous Equipment	579,333	568,642	568,074	540,405
Oxidation Tower East Building	570,842	551,859	547,425	509,897
Oxidation Tower East - Miscellaneous Equipment	966,415	948,582	647,634	901,478
Oxidation Tower West Building	570,842	551,859	547,425	509,897
Oxidation Tower West - Miscellaneous Equipment	966,415	948,582	947,634	901,478
Equalization Basin Building	1,521,616	1,471,013	1,459,194	1,113,837
Rapid Sand Filter Building	652,443	628,800	623,007	592,325
Rapid Sand Filter - Miscellaneous Equipment	1,116,845	1,096,280	1,091,302	1,028,298
Final Settling Tank #2 Building	380,349	367,700	364,746	339,740
Final Settling Tank #2 - Miscellaneous Equipment	144,318	141,655	141,513	134,620
* Total Buildings	33,108,673	31,922,836	31,566,895	28,906,781
** Total Miscellaneous Equipment	8,628,301	8,337,824	7,968,975	7,753,394

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

2007	2006	2005	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$140,487	\$129,757	\$124,086	1973	\$30,639	392.70 %
546,274	314,705	155,436	Various	479,908	(22.54)
266,884	247,689	236,455	1986	130,207	121.10
127,561	121,240	115,076	Various	70,769	97.30
227,623	210,237	201,050	1973	49,644	392.68
414,669	393,387	372,631	Various	238,373	91.00
297,230	276,031	265,135	1985	145,706	388.14
517,382	490,828	464,931	Various	313,461	81.23
471,568	437,935	420,647	1973, 2001	105,767	417.58
863,071	818,775	775,575	Various	724,950	(10.67)
471,568	437,935	420,647	1973, 2001	103,842	427.17
863,071	818,775	775,575	Various	724,950	30.72
1,034,397	960,623	922,700	1992, 1993, 1997	1,827,056	(20.13)
579,801	535,515	512,111	2001	436,529	42.72
984,591	934,181	885,020	Various	806,377	35.33
301,091	279,617	268,578	1973	68,666	431.19
128,885	122,270	115,819	Various	32,682	333.00
27,648,845	25,226,108	24,350,392		19,432,203	62.45
7,563,717	6,954,213	6,337,733		5,701,411	39.77

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

Vehicle/Program	Current Replacement Costs	2010	2009	2008	2007
Police					
Cost Per Patrol Car	\$25,472	\$22,509	\$26,613	\$22,463	\$24,461
Fire					
Cost Per Fire Pumper (1)	0	0	0	0	441,564
Cost Per Ambulance	210,878	0	0	0	167,192
Service					
Cost Per Vac All (2)	0	0	0	0	275,000
Cost Per Street Sweeper	0	0	0	0	115,000
Cost Per Salt Truck	0	0	0	105,622	110,000
Cost Per Water Utility Truck	0	0	41,021	0	0
Loader	125,017	0	0	0	0
2500 HD Chevy 4X4 Pick up	23,875	0	0	0	0
Dump Truck	100,527	0	0	0	0
Road Construction					
Ohio Department of Transportation Construction Cost Composite Index (3)	146.5	146.5	140.2	151.9	141.4

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.

2006	2005	2004	2003	2002
\$23,941	\$24,521	\$24,212	\$24,540	\$0
0	0	0	0	0
0	155,711	0	0	0
0	0	0	0	0
0	0	0	106,225	0
0	81,361	0	0	75,409
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
126.1	127	112	101.4	99.9

City of Bedford, Ohio
Water Utility Statistics
Last Ten Years

	2011	2010	2009	2008
Gallons of Water Purchased from Cleveland	98,281.42	110,165.44	96,955.60	95,405.00
Gallons of Water Sold (Billed) to Users	61,514.58	64,072.93	62,823.09	65,901.00
Percent of Water Billed	62.59%	58.16%	64.80%	69.07%
Water Billings	\$3,949,865	\$4,288,675	\$3,896,479	\$3,632,402
Water Collections	\$4,381,620	\$4,341,474	\$3,954,828	\$3,532,663
Percentage Collected from Billings	110.93%	101.23%	101.50%	97.25%
Payments to City of Cleveland	\$2,810,055	\$3,447,605	\$2,868,742	\$2,637,600
Percentage of payments to the City of Cleveland compared to total water collections	64.13%	79.41%	72.54%	74.66%

Source: City of Bedford Water Department

2007	2006	2005	2004	2003	2002
95,465.00	89,658.00	102,694.70	101,437.20	106,665.40	101,389.20
69,612.00	67,949.50	75,840.80	71,942.10	75,071.30	79,344.80
72.92%	75.79%	73.85%	70.92%	70.38%	78.26%
\$3,422,229	\$2,932,256	\$3,369,868	\$3,080,348	\$3,083,091	\$3,116,242
\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975
100.69%	101.87%	100.68%	101.21%	101.40%	101.56%
\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987	\$2,554,728	\$2,339,734
72.74%	76.86%	75.07%	80.19%	81.72%	73.93%

