

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2015



Xellia Pharmaceuticals

Integrating Science and Innovation to Save Lives

Xellia is the leading supplier of important anti-infectives Vancomycin and Colistimethate Sodium (CMS). Our success and strong market position is built on more than 100 years' pharmaceutical industry experience. Headquartered in Copenhagen, Denmark and owned by Novo A/S, Xellia Pharmaceuticals has more than 1200 employees globally.

From state-of-the-art manufacturing sites in the U.S., China, Denmark and Hungary to R&D sites in Norway and Croatia; Xellia Pharmaceuticals excels within innovative product development to deliver high quality products to its customers. Based on our long-term expertise, we bring value for our stakeholders and signify a patient-centric mindset through an embedded corporate motivation of, integrating science and knowledge to save lives.

**City of
Bedford, Ohio**

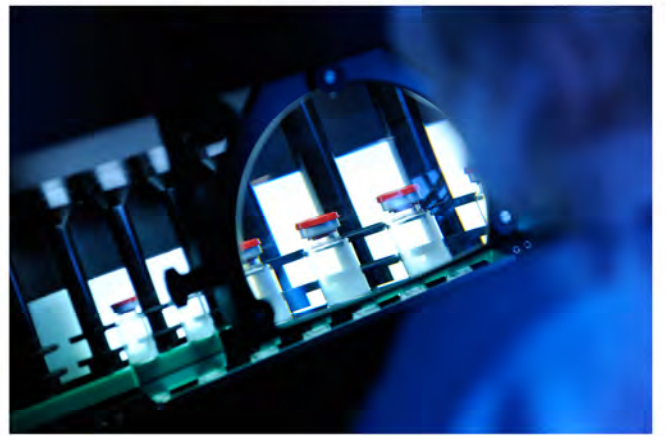
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COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2015

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I NTRODUCTORY S ECTION





City of Bedford, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
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CITY OF BEDFORD OHIO

June 2, 2016

Honorable Mayor Stan Koci
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, 2015 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. The Auditor of State, has issued an unmodified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2015. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The City has reviewed its reporting entity definition in order to ensure conformance with GASB Statement No. 14, "The Reporting Entity" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the City for financial reporting purposes, management has considered its relationship with all departments, boards and agencies that make up the City of Bedford. For the City of Bedford, this includes police, fire, rescue, recreation programs, street maintenance and repairs, sanitation, water, wastewater treatment, storm water, municipal court and general services.

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www.bedfordoh.gov

The Bedford City School District, Bedford Community Development Corporation, and the (Greater 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 Southeast Regional Council of Governments is a tax exempt independent Council of Governments (COG) with legislative oversight provided by the Mayors of Maple Heights, Bedford Heights, Garfield Heights and the City Manager of the City of Bedford over the “Southeast Emergency Communications Center” (SECC). The SECC is an independent entity that consists of an Administrative Board of the Chiefs of Police and Fire for the purpose of providing regional 911 Dispatch Emergency communication functions. The SECC hires an administrator, a treasurer and Law Director to handle daily oversight of 911 Dispatch operations.

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, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2015 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall. The City formed a Regional Council of Governments between Bedford, Bedford Heights, Garfield Heights, and Maple Heights to provide 911 dispatch services. The operations of the dispatch center will be provided by the Southeast Emergency Communications Center (SECC). Most of the equipment and communication costs are expected to be funded through grants.

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.

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 Cleveland 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 (currently the City Manager) 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 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, personnel issues, 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 6,398 resident returns, 2,360 business net profits returns and the collection from 1,000 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, credit card and electronic check tax payments, as well as free preparation in-house service for the municipal income tax returns.

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

The Building Department is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections and licenses all contractors. The department works with qualifying residents to improve their housing through 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.

Business Incentives and creating Economic Development:

Footnote 21 titled “Tax Abatement Disclosures” are a requirement in our CAFR, based upon GASB Statement No. 77. This footnote disclosure focuses on lost tax dollars and the costs to government entities. The following will reveal the benefits derived from offering business incentives.

The City of Bedford allows tax incentives under four programs: the Enterprise Zone tax abatements (EZA), the Community Reinvestment Area (CRA), the Economic Development Job Creation and Retention Program, and non-tax revenue moving expenses. The EZA’s program has not been utilized in many years as its function is now limited to benefit businesses from abatement of real estate taxes. The CRA program performs the same function and is utilized instead. Only two of these programs effect public tax dollars the CRA incentives and the Economic Development Job Creation and Retention Program; Therefore these are the only disclosed programs in Footnote 21.

All City business incentives start the above abatement processes with an application process from the business declaring their commitments of building improvements and/or job creation by moving their business into the City. Thereby, the business will improve an existing building or constructing a new building(s) to accommodate their new increased manufacturing, professional or retail establishment’s personnel and equipment. The City, after reviewing the applications, will accept, amend, or deny the business request based upon the criteria (minimum return on investment criteria) as stated in Footnote 21. Thus, a complete cost/benefit analysis is performed by the administration before making a decision on the businesses incentive request. The City makes public any decision to allow any incentives through an ordinance approved by City Council. When an agreement requires the City to have a Bedford City School District (BCSD) tax sharing agreement under section 5709.82 of the Ohio Revised Code, the City will enter into an agreement with the BCSD.

The City will budget in the corresponding years, any increases in municipal income tax revenue generated from the newly created jobs, and incorporate any increased Real Estate valuation taxes (non-abated taxes) into the budget as well.

The Cuyahoga County Appraisal Department under the County Fiscal Officer, assigns taxable values to new or improved commercial property improvements. This new or improvement valuation is used in conjunction with a contract between the City and the business to establish the dollar amount of abated valuation associated with the new construction and/or improvements.

Monitoring incentives:

The City of Bedford (Finance Director) is required by statute, to file online annually, by March 31st, all abatement information with the State of Ohio. This applies to each individual abatement contract and overall statistics of the EZA and CRA program related to the abatements granted. Information such as number of jobs created, retained employment, the amount of payroll related to increased jobs, real estate improvement dollars invested, income tax dollars generated from each and overall contracts.

The City of Bedford pursuant to various sections (5709 and 3735) under the Ohio Revised Code, established a Housing Council. This Housing Council consists of seven members: two are appointed by the Mayor, one member is appointed by the Planning Commission, two members are appointed by City Council and two are appointed from the other members of the Housing Council. They serve four year terms. Their purpose is to look at the property conditions of the businesses or residential properties that have been offered EZA or CRA incentives. Based upon the condition of the properties, they can recommend to the TIRC (see below) to continue, modify or deny the incentives. Annually, the Building Commissioner takes pictures of the properties for the Housing Council’s review. To date, all properties have been in good condition.

The City is also required to submit to a review of all CRA and EZA Contract agreements with the Tax Incentive Review Council (TIRC) annually in August. The TIRC is organized by Section 5709.85 (A) (1) of the Ohio Revised Code consisting of 7 members: one legislative appointee, one County Auditor (Fiscal Officer) appointee, one member of the Board of Education, the Chief Financial Officer of the City, and two

members of the public appointed by the Chief Executive Officer with concurrence of the legislative authority (City Council), with at least four members being residents of the City. The TIRC reviews the State of Ohio CRA/EZA form C's of each corresponding business incentive and votes to continue, request modification of the current agreement, decide that the business is non-compliant with their contract requirements, or if appropriate, let the incentives expire.

The TIRC presents its recommendations to the Bedford City Council at a public meeting and, by resolution, can accept, modify or reject the recommendations of the TIRC. City Council reserves the right to terminate abatements and incentives when businesses are not in compliance. City Council's Goals and strategic plan as they review/and or approve these incentives and recommendations are to maintain Bedford's competitiveness as a site for location of new businesses and the expansion of existing businesses, create and retain jobs, and increase real estate values, for tax purposes. The economic effect of these incentives are immediate when increasing jobs as municipal income taxes increase, however, for the most part the positive economic effects from collection of real estate taxes, will be in the future.

The following is a 5-year depiction of the dollar amounts all entities have and will realize from increased taxes afforded from business incentives:

CRA Agreement's - Real Estate Taxes:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Manufacturing	\$140,882	\$139,193	\$78,142	\$78,142	\$78,142
Retail Establishments	17,827	22,887	22,887	43,653	43,653
Professional Buildings	6,652	6,803	6,803	6,803	6,803
Total	<u>\$165,361</u>	<u>\$168,883</u>	<u>\$107,832</u>	<u>\$128,598</u>	<u>\$128,598</u>

CRA, Economic Development Job Creation and Retention Program and Moving Expenses -

*** Annual Municipal Income Tax Increases in relation to newly created jobs:**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Manufacturing	\$372,978	\$243,771	\$454,506	\$471,138	\$488,403
Retail Establishments	311,462	322,210	333,349	344,895	356,862
Professional Buildings	393,599	464,980	481,454	498,543	516,273
Total	<u>\$1,078,039</u>	<u>\$1,030,961</u>	<u>\$1,269,309</u>	<u>\$1,314,576</u>	<u>\$1,361,538</u>

* Estimated Payroll increases at 2 percent per year.

The total increases in revenue expected annually from business incentives, are obtained by adding both schedule subtotals.

Number of jobs created and projected from all programs noted above:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Manufacturing	124	215	335	375	435
Retail Establishments	315	318	318	318	318
Professional Buildings	420	457	458	458	458
Total	<u>859</u>	<u>990</u>	<u>1,111</u>	<u>1,151</u>	<u>1,211</u>

Jobs Created Schedule projections were based upon State of Ohio CRA forms filed and business incentive application projections.

Economic Condition and Outlook

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

The City is in the process of completing a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation completed the construction of their headquarters building, left the facility and is now occupied by the company Art of Beauty. Art of Beauty/Harwood Contract Packaging Inc. added \$6.1 million in real estate improvements to the property, and transferred 40 employees immediately to the site and created 5 new jobs, The Company agreed to create 45 more jobs within 6 years per their community reinvestment area agreement (CRA).

The Hemisphere Corporation and Hull & Associates completed construction building a new headquarters on this site at a cost of \$3.2 million and additionally added \$600,000 in furniture and fixtures. This was constructed on a Brownfield site and the site is to be developed by receiving grants from the Cuyahoga County Brownfield Fund, Brush Wellman prior owners of the site, The State of Ohio 629 Fund and the Federal Housing & Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI grant).

The City, on December 21, 2015 updated the CRA abatement agreement contract with Hemisphere Development, LLC and Hull and Associates, Inc. Within a period not to exceed 8 years from this agreement to retain 30 existing jobs at the project Site and create 3 new full time jobs. Current annual payroll retained of both companies is \$2,222,011 and the three jobs are estimated to create an additional \$18,000 in additional payroll.

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 foot free standing office building complex now known as the Quality & 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.

Ben Venue Laboratories: Going back to 1995, Ben Venue employed 419 employees and operated within their 250,000 square foot facility. From 1996 to present, Ben Venue 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. During 2012, Ben Venue continued to grow within and the headcount had increased to 1,343; however, at the end of 2013 Ben Venue stopped production of all products within the 1 million square foot of manufacturing area. In 2014, Ben Venue continued to pay income tax on separation pay. The City worked with the new purchaser, West-Ward Pharmaceuticals, to consider starting up production of pharmaceutical drugs at this site. By year-end of 2014, West-Ward Pharmaceuticals had 65 employees on site. West-Ward Pharmaceuticals did not start manufacturing at the site. They, instead, sold four of the buildings to Xellia Pharmaceuticals late in 2015 with the assistance from the State of Ohio offering business incentives. Xellia Pharmaceuticals, in 2016, started construction on the facilities to allow distribution of current products from this facility and is expected to start manufacturing within one to two years and to hire up to 200 employees.

The Penske Auto Group Improvements

As stated by the Penske Auto Group administration:

“Penske Automotive Group has collectively decided to double down on our commitment to the Bedford Automile and gentrify over 22 acres of automotive retail space bridging Audi, Toyota, Scion, Smart and Mercedes Benz of Bedford. Additionally, we will double the size of our Bedford Collision center through the acquisition of the long abandoned facility formerly known as Sterling Auto Body. We had the opportunity to relocate our entire footprint but given the natural gravity of the Automile, the expense of rebuilding, and our intent to reinvest rather than leave behind a trail of blight we are planning to put nearly \$10 million of capital expenditure into our existing facilities (\$3 million Audi, \$3 million Toyota, and \$4 million Mercedes Benz). This will ensure five fully factory compliant facilities are in Bedford for the foreseeable future. Our employment and revenue projections increase by nearly 15 percent in the first year and by as much as 30 percent in the subsequent two years. Nowhere in the state of Ohio is there a larger aggregation and selection of brands for customer selection. It truly is a unique nameplate in northeast Ohio to be able to claim you’re a member of the Historic Bedford Automile.”

The Penske Auto Group made improvements at the Audi Dealership in the amount of \$14,039,359 and now has 67 jobs on the site. The level of real estate investment on the Toyota site was \$9,936,797 and now has 101 employees on this site at year end.

The Ganley Auto Group – Bedford, Ohio

As stated by the Ganley Auto Group administration:

In July 2012, Ganley Chrysler Jeep Dodge Ram moved into newly-renovated facilities that previously housed Ganley Lincoln of Bedford (closed in January 2012.) The cost of renovations excluding investments in equipment, furniture and signage amounted to over \$1.4 million.

In July 2013, Ganley Subaru of Bedford relocated to 123 Broadway, the former Chrysler Dodge Jeep Ram store. The facility was renovated and is expected to be the first Eco-Friendly Subaru store in Northeast Ohio. The cost of renovations was constructed at an estimated \$1.5 million.

When Subaru relocated from its current location at 240 Broadway, the existing building became a Certified Used Vehicle Sales and Service Center for Ganley Volkswagen of Bedford.

The above projects will expand employment in Bedford over the next several years by 20 to 30 additional full-time employees.

The Ganley Real Estate Co. finished construction on a new, approximately 34,000 square foot, (\$4.4 million) building and expanded its Volkswagen operations in 2007. The company purchased \$1,050,000 in new machinery and equipment, \$75,000 in furniture & fixtures and \$5,856,514 in new inventory. Almost \$1 million was invested in a retaining wall to solidify the land behind the development in addition to the building improvements. The total investment was more than \$6 million. Equipment transferred from another city was worth a total of \$600,000.

The Ganley Real Estate Co., owning both Volkswagen and Subaru created 53 new jobs and retained the 42 jobs already existing in Ohio for an additional payroll of \$3.7 million to the City.

The Ganley Real Estate Company finished constructing, in 2007, a new approximately 8,100 square foot building to expand its Subaru operations (the previously occupied building). The Company invested approximately \$4 million in buildings and service center, site work, new machinery and equipment, furniture and fixtures and inventories. The Company created 36 new jobs and created an additional payroll of \$1.9 million. The City utilized our jobs creation program in lieu of abatement affecting the school district as an incentive to do business in the City. The City will grant 6 years of non-tax dollars based upon the payroll amount and income taxes paid reported at year-end.

In 2008, a Wal-Mart Super Store was completed at a cost of \$7.5 million dollars. The Wal-Mart store created 700 new jobs at a payroll of \$6,535,166 annually. Overall Income tax dollars received by the City was \$147,041 in 2014. Real estate value was placed at \$6.6 Million dollars and real estate taxes for 2014 were over \$500,000 and the total estimated revenue to be received by the City (including Real Estate Taxes) is over \$275,000 annually. The Store was one of the 150 plus stores closed nationwide in January 2016. The City is working with their staff to obtain a new retail store.

Major Initiatives

Going back to the year ending, December 31, 2013, the City completed or made substantial progress toward several major goals or projects:

The City, in 2013, issued general obligation bonds to pay for the following projects:

- The improvements and resurfacing to 22 streets
- The Broadway Water Main Line
- 21 Wastewater Plant Improvements projects
- Refunding of 2002-2 Various Purpose Long Term General Obligation Bonds
- Refunding of 2002 Various Purpose Long Term General Obligation

The water and street resurfacing improvements were completed in 2015. The wastewater plant improvement projects were on hold in 2015 waiting for equipment to be shipped for final construction occurring in 2016.

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

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 for the levy), and the City received \$2.354 million in 2010.

A total deficit of \$2.7 million per year was estimated in 2009, due to the reduced revenues from State funded sources (\$700,000 per year) (inheritance taxes, personal property taxes, and local government funds) and \$2.0 million less revenues from net profit taxes from businesses annually. Based upon the receipt of the above levy funds, the City was able to balance the budget for 2010 through 2014 in the general fund.

The City is dealing with cuts in revenue passed through from the State of Ohio which include three of the City's larger revenue sources: Inheritance (Estate) taxes is no longer collected as of January 1, 2013 and costs the City an additional \$278,000 per year. The Local Government Fund was reduced 50 percent after 2012 and thereafter. This led to a loss of revenue in the amount of \$203,506 in 2012 and \$442,000, thereafter. Finally the last loss of revenue was in the form of an accelerated reduction in the CAT tax currently replacing the City's past personal property tax. This tax was eliminated starting in 2012 realizing a reduction totaling \$462,672 per year. These cuts from the State now require the City to make an additional \$1,162,672 in adjustments to its future budgets.

In 2015, the City saw the effects from no manufacturing by Ben Venue Laboratories at their site. The City's revenues versus expenditures caused a \$1.94 million shortfall in 2015. The expected shortfall for 2016 is less and is expected to be \$1 million due to the implementation of a refuse assessment fee of \$14 per household creating a reduction of expense in the general fund of \$704,000 per year.

The City administration prepared and, through Council, adopted the 2015 annual budget (appropriations) before December 31, 2014; 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 2016 and forward.

Various types of grants received in 2015:

The City was awarded a grant in 2015 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program in the amount of \$34,000 (\$45,000 in 2014). The City received grants of \$152,925 and \$55,942, respectively, for the 2015 and 2014 Law Enforcement (LEF) Grant. The City continued to receive \$48,685 from the 2015 Drug LEF GAP Funding Grant.

The program utilizes grant funding, matching funds and program income of confiscated funding 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 \$54,341 in 2015, \$152,910 in 2014 and \$134,561 in 2013. This year's total revenue from all sources was \$312,334 in 2015.

The City received other grants as follows:

- The Fire department was awarded a FEMA SAFER Grant 2014 - 2015 in the amount of \$607,999 for two years and it pays for three fire fighters. In 2013 - 2014 the City received a grant in the amount of \$359,174 for two years and it pays for two fire fighters to be added to the department. These additions of employees will allow the Fire department to operate two ambulance squads instead of one.

Other projects:

- The street lighting special assessment rate of millage was increased in the 2014 tax budget for collection in 2015 to 1.2 mills due to decreases in valuation of City property. A slight increase occurred in 2014 for collection in 2015. Prior to this, the City was at 1.1 mills. Cuyahoga County performed its six-year reappraisal of industry and residential property values in 2015. Due to the economy and housing foreclosure problems, the County estimated that the collections on real estate taxes for tax year 2015 would have a delinquency rate of at least 6.46 percent. Actual collections were better as stated below.

General Fund estimated Real Estate Collections (000's)

	<u>At 100 Percent</u>	<u>Estimated</u>	<u>Actual</u>
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	2.182
2012 for Collection in 2013	2.000	2.000	2.200
2013 for Collection in 2014	2.216	2.073	2.118
2014 for Collection in 2015	2.238	2.081	2.113

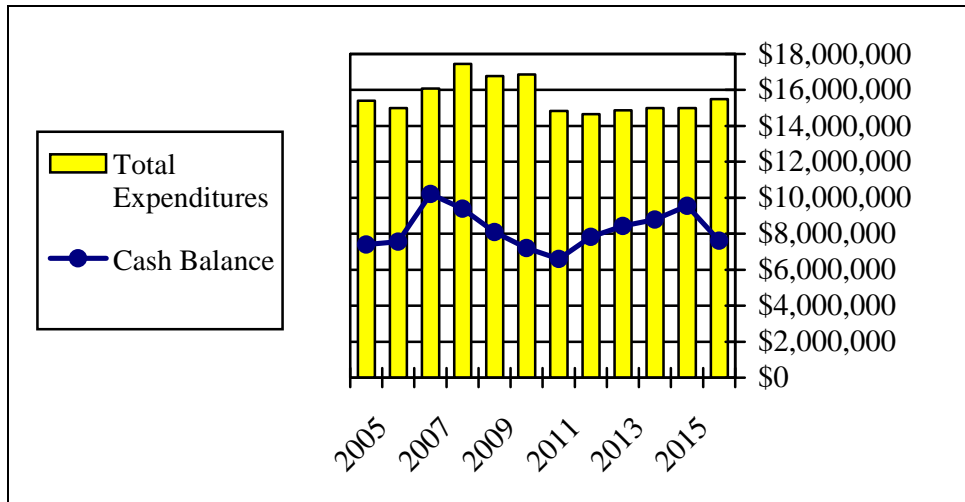
- The Tax Department utilized the innovation award winning on-line income tax preparation system for the past twelve years throughout the 2015 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of 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 1,980 ambulance runs in 2015. The ambulance runs generated reimbursement revenue in the total amount of \$432,014 in 2015, \$414,024 in 2014 and \$418,560 in 2013. The City pays a 7 percent administrative billing fee to Great Lakes Billing Company on an annual basis.

- The City has been self-insured regarding employee Health Insurance costs for the past 21 years. In 2015 the City saved \$313,638 by being self-funded for health insurance. The City had its worst claims in the years 2013 and 2012. In 2015 and all but 4 other years, 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 21 years is over \$2,118,106.

Financial Information

Long-term financial planning

As you can see from the following graph, the general fund ended the year with a budgetary cash balance of \$7,618,031. The 2015 ending operating cash balance represented 49 percent of the total general fund expenditures (including transfers) or 179 days of general fund operating expenditures. This cash balance falls above the City’s general fund balance written policy and to the rating agencies of maintaining a minimum required balance of \$5.8 million dollars in the general fund.



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 2015.

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.

Some major budgetary initiatives that had a significant impact on the current financial statements:

- Reduced funding from the State revenue sources (inheritance taxes, local government funding) and slight reductions in valuation from real estate sales caused the City to reduce spending on capital items such as police cruisers and service department equipment (bucket tree trimming truck and other trucks) needed for operations.
- Increased fees for building department and all other fees.
- Decreased spending on workers compensation from retrospective rating savings in 2015.
- Dispatch center opened in 2015 and relieved the City of these employees. Some savings are anticipated in 2015 versus buying new required equipment for 800 MHz communication system.
- Three fire employees all year under Safer Grant funding.
- Reduced estimates for income tax collections due to non-production of goods and no employees remaining from Ben Venue. Also accounted for 65 new employees from West-Ward Pharmaceuticals and 45 jobs from Art of Beauty.

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 a formal general fund unassigned balance and reserve policy to maintain 15 percent of general fund's appropriations. The current reserve is set at \$5.8 million and with other current available funds at \$1,805,528. These amounts represented, as stated above, a 49 percent fund balance to operating expenditures ratio. The \$5.8 million balance is earmarked to cover any future negative changes to our largest taxpayers.

Debt Policy

The City has a debt policy, which has been utilized recently and analyzed yearly.

The City issued and bid out a 5 year, \$1.4 million privately placed bond issue, for the replacement of water meters in 2016. Huntington Bank was the winning bid with a fixed rate of 2.10 percent. The City's Bond Rating was reviewed shortly in February of 2016, after the bond issue by Standard & Poor's Rating Services and the outcome was to lower the City's long-term rating and underlying (SPUR) rating to AA- from AA on the City's general obligation bonds.

In 2014, the City issued \$2,900,000 General Obligation Various purpose Refunding Bonds, Series 2014, to refund the City's outstanding Build America Bonds. The City received Aa3 and AA ratings from Moody's and Standard and Poor's, respectfully. The Moody's rating was a result of a downgrade. The present value savings as a percent of refunded bonds (assuming a reduced interest subsidy from the Federal Government, 32.48 percent of interest due) is 2.22 percent, and a full subsidy would be a present value savings of 0.73 percent.

Original issue premiums were obtained in the amount of \$168,913 with no original issue discounts. The true interest costs were 3.16 percent while the net interest cost was 3.29 percent. The all-in true interest cost was 3.34 percent, while the net present value savings was \$65,768.

In 2013, the City issued general obligation debt for streets, water and wastewater plant improvements. The City refunded the prior 2002 and 2002-2 bond issues. Our debt issues are in line with our debt capacity and in line with our affordability requirements. The City issued this debt 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 2015 was \$56,884, \$42,732 in 2014 and \$26,397 in 2013.

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 Note 5 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. The Auditor of State of Ohio's office performed these services for 2015, and an unmodified 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 2014 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 2015 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



Michael S. Mallis
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2015

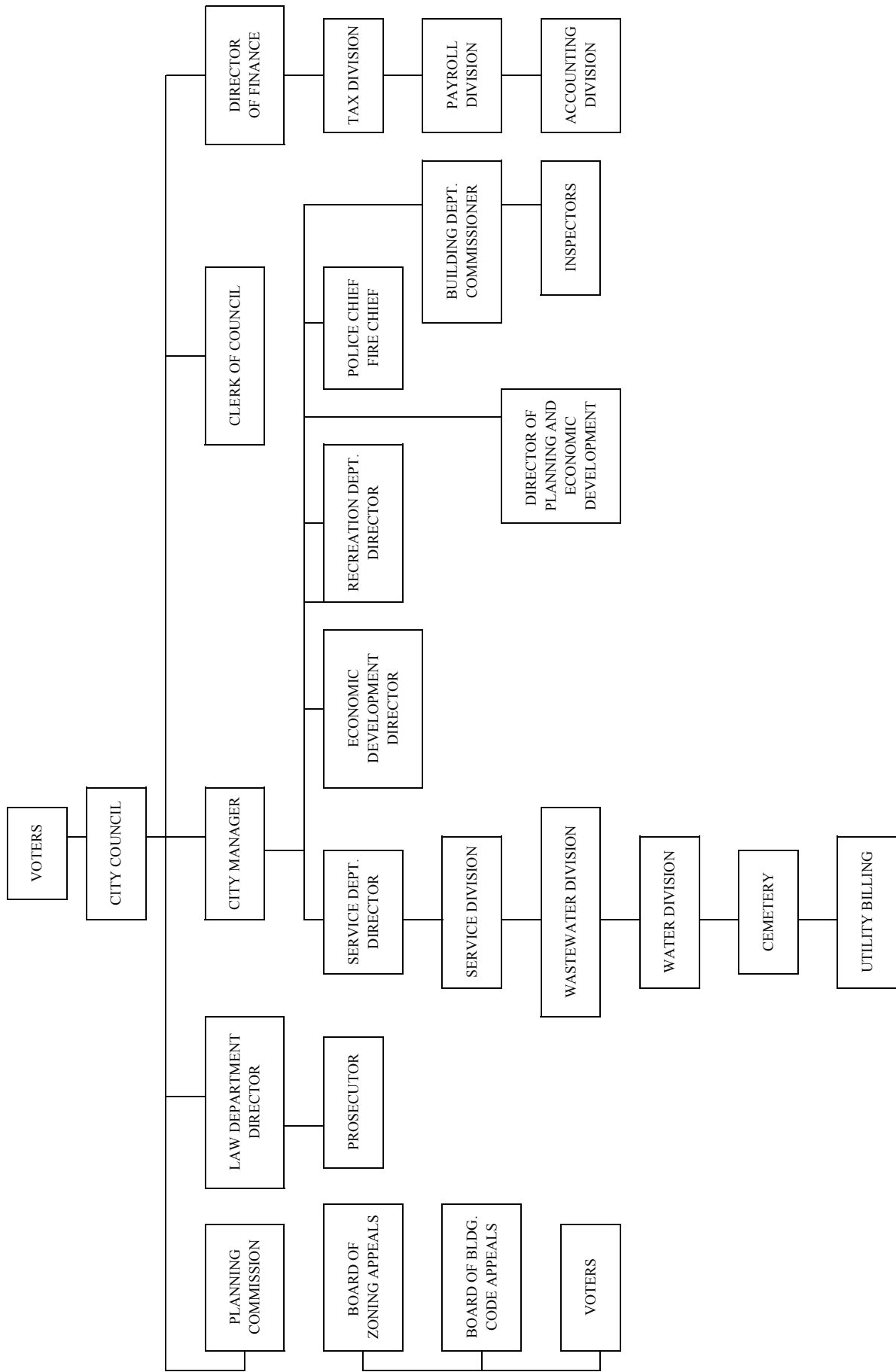
Elected Officials

Mayor.....	Stanley Koci
Vice Mayor	Paula Mizensak
Council Member	Marilyn B. Zolata
Council Member	Donald A. Saunders
Council Member	Walter Genutis
Council Member	Gregory E. Pozar
Council Member	Sandy Spinks
Presiding Judge.....	Brian J. Melling

Appointed Officials

City Manager	Michael S. Mallis
Director of Finance	Frank C. Gambosi
Law Director	John Montello
Clerk of Council.....	Lorree Villers
Director of Economic and Community Development.....	Michael S. Mallis
Building Commissioner.....	Calvin Beverly
Service Director	Clint E. Bellar
Superintendent of Public Works	Shawn Francis
Chief of Fire.....	David V. Nagy
Police Chief.....	Kris Nietert
Director of Recreation	Randall J. Lewis

**ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO**





Government Finance Officers Association

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, 2014

Executive Director/CEO

FINANCIAL

SECTION

FINANCIAL
SECTION





City of BEDFORD, Ohio



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Bedford
Cuyahoga County
165 Center Road
Bedford, Ohio 44146

To the City Council:

Report on the Financial Statements

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, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Public Safety Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 2, 2016

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City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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, 2015. 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

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the current year by \$31,533,258 compared to \$32,856,094 at the end of 2014. These figures were restated pursuant to GASB 68 and 71 and if these long term transactions were not included in the financial statements the effect would have been to have a larger business type activities unrestricted net position of \$12,413,137 in 2015. Also the same could be said, with a greater effect on the financial statements, for the governmental activities (\$6,860,164) in 2015 and (\$3,460,721) in 2014. Without the GASB 68 and 71 transactions, these amounts would have been a positive \$9,351,934 in 2015 and \$12,487,021 in 2014 which may have been 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 \$1,238,760, which represents a 4.38 percent decrease from 2014. Capital assets of business-type activities increased \$325,581, which represents a 1.85 percent increase from 2014. Overall capital assets decreased due to current year acquisitions being less than current year depreciation.
- Total governmental assets decreased due to more depreciation expense versus increases to capital asset replacements funds, property valuation and corresponding property tax receivable decreases and less value associated with houses held for resale. The major reasons for the decrease in total governmental revenues is attributable to a decrease in the municipal income tax collections and a corresponding decrease occurred with equity in pooled cash and cash equivalents. The increase in special assessment receivables was due to the refuse fee assessed to each household for the collection of waste on the tax duplicate in 2015 and for the collection of waste in 2016. The fee is \$14 per unit and the City pays for collection of waste up to 3 units. The reduction in intergovernmental receivables was due to State cuts in the commercial activity and local government taxes.
- Total liabilities of governmental activities increased over 2014. This was due to an increase caused by the change in the long-term liability of the pension required by GASB 68 and 71. Otherwise, between the other amounts of long-term liabilities, specifically debt service due in more than one year from refunding and debt payments, long-term liabilities due within one year and the current liabilities, the total liabilities would have decreased. There was an increase in long-term payables which was due to the pension liability added due to GASB 68 and 71 payable to the State of Ohio's Public Employees Retirement system and the Ohio Police & Fire Pension system. The business-type activities current liabilities decreased during the current year due to less accounts payable (water invoice amounts due at year end and decreases in wastewater projects costs).

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

- The total municipal income tax revenues for all funds in 2015 decreased resulting from the closing of the City's largest taxpayer, Ben Venue Laboratories. Ben Venue Laboratories announced in the last quarter of 2013 that they were ceasing production of goods. They continued to pay income tax withholding on wages for all employees located at this facility throughout the end of the calendar year 2014. Severance pay and bonuses were afforded employees and paid in 2014 and 2015.
- 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 2015 increased over 2014 as a result of increases in wage negotiations of 2.5 percent for non-union employees, police and fire employees. The City paid 1.5 percent increase to AFSCME employees. There was less general government administrative employees as the dispatchers are now part of a Regional Council of Government South East Communications Center (SECC). Other factors were salt purchases increased and less interest and fiscal charges for debt as the City refunded debt issues in 2013 and 2014. The City's transportation costs increased due to road construction repairs.
- In 2016, the rating agency of Standard & Poor's downgraded the City's Bond rating from the AA level with a negative outlook to a rating of AA-, while in 2014, Moody's Investor Services assigned and downgraded the City rating to Aa3.
- The City implemented GASB 68 and GASB 71, which establish standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City. The City has reported these liabilities to comply with the requirements of GASB 68 and 71.

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 position* 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 position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between all elements reported as *net position*. Over time, increases or decreases in net position 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 position changed during the recent fiscal year. All changes in net position 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).

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Both of the government-wide financial statements distinguish functions of the City of Bedford that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Bedford include general government, security of persons and property (Police and Fire), public health and welfare, leisure time activities, community development, transportation and basic utility services. The business-type activities include water and wastewater.

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 schedule (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.

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.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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. The notes provide a supplement to the financial statements and disclosures that include GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Please see the Statement of Net Position concerning data reporting these changes and the further clarification of Deferred Outflows of Resources and Deferred Inflows of resources.

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.

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 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 position and the changes in that position. The change in position 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 Position and the Statement of Activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows minus Liabilities and Deferred Inflows)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

The City of Bedford as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2015 compared to 2014.

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(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and Other Assets	\$22,161,137	\$24,661,413	\$10,821,565	\$10,436,907	\$32,982,702	\$35,098,320
Capital Assets, Net	27,028,224	28,266,984	17,945,710	17,620,129	44,973,934	45,887,113
<i>Total Assets</i>	<u>49,189,361</u>	<u>52,928,397</u>	<u>28,767,275</u>	<u>28,057,036</u>	<u>77,956,636</u>	<u>80,985,433</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	254,907	281,345	15,004	19,813	269,911	301,158
Pension	2,460,106	1,714,034	192,783	138,416	2,652,889	1,852,450
<i>Total Deferred Outflows of Resources</i>	<u>2,715,013</u>	<u>1,995,379</u>	<u>207,787</u>	<u>158,229</u>	<u>2,922,800</u>	<u>2,153,608</u>
Liabilities						
Current and Other Liabilities	2,127,840	2,153,874	308,276	642,462	2,436,116	2,796,336
Long-Term Liabilities:						
Due Within One Year	1,665,503	1,511,308	690,037	681,742	2,355,540	2,193,050
Due in More than One Year						
Net Pension Liability	18,581,388	17,661,776	1,134,739	1,109,109	19,716,127	18,770,885
Other Amounts	10,343,114	11,254,776	9,941,836	10,589,986	20,284,950	21,844,762
<i>Total Liabilities</i>	<u>32,717,845</u>	<u>32,581,734</u>	<u>12,074,888</u>	<u>13,023,299</u>	<u>44,792,733</u>	<u>45,605,033</u>
Deferred Inflows of Resources						
Property Taxes	4,442,694	4,677,914	0	0	4,442,694	4,677,914
Pension	90,816	0	19,935	0	110,751	0
<i>Total Deferred Inflows of Resources</i>	<u>4,533,510</u>	<u>4,677,914</u>	<u>19,935</u>	<u>0</u>	<u>4,553,445</u>	<u>4,677,914</u>
Net Position						
Net Investment in Capital Assets	16,991,691	17,339,750	7,428,993	6,470,775	24,420,684	23,810,525
Restricted:						
Capital Projects	59,047	92,838	0	0	59,047	92,838
Debt Service	370,245	469,155	0	0	370,245	469,155
Other Purposes	4,092,200	3,223,106	0	0	4,092,200	3,223,106
Unrestricted (Deficit)	(6,860,164)	(3,460,721)	9,451,246	8,721,191	2,591,082	5,260,470
<i>Total Net Position</i>	<u>\$14,653,019</u>	<u>\$17,664,128</u>	<u>\$16,880,239</u>	<u>\$15,191,966</u>	<u>\$31,533,258</u>	<u>\$32,856,094</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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1. Present value of estimated future pension benefits attributable to active and inactive employees' past service;
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2014, from \$33,611,870 to \$17,664,128 for governmental activities and from \$16,162,659 to \$15,191,966 for business-type activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$31,533,258 at December 31, 2015.

The largest portion of the City's net position reflects "Net Investment 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 are 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.

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Total governmental assets decreased from 2014 to 2015, while the City's total governmental liabilities increased. The most significant changes in total assets were the decreases in net capital assets, assets held for resale and property taxes receivable. The decrease in assets held for resale was due to less house values and fewer existing homes owned by the City. Another item affecting the total assets was the accumulated depreciation on assets which reduced capital assets in 2015.

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

Most of the decrease in the net position (unrestricted account) is due to the restated long-term pension figures pursuant to GASB 68 and 71 as stated earlier. Other factors include decreases in net capital assets, 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 and the elimination of the inheritance tax as of January 1, 2013. These changes have had a negative effect on the revenue stream in the City. These changes in taxation lead to a total loss of inheritance tax revenue which started with 2014. The largest year for collection of inheritance tax was in 1999 in the total amount of \$512,303.

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 four years through 2010. Thereafter, the State budget eliminated the CAT tax revenues, and cost the City annually a total of \$462,672 in 2012 and thereafter. The largest amount collected in one year from personal property tax was in 2005 when the City received \$463,997.

The State of Ohio reduced the local government funds to cities at 25 percent in 2011-2012 and 50 percent in 2012-2013. These cuts resulted in the loss of \$272,628 in 2012, \$456,033 in 2013 and \$393,070 in 2014. These losses will remain per year thereafter unless more funds are collected or the State of Ohio changes the funding amounts. The largest amount collected in one year from the local government funds was in 2005 when the City received \$778,196.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2015 and 2014.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$4,076,366	\$3,289,947	\$6,547,812	\$6,628,521	\$10,624,178	\$9,918,468
Operating Grants and Contributions	2,154,354	2,012,315	0	18,477	2,154,354	2,030,792
Capital Grants and Contributions	0	0	0	0	0	0
Total Program Revenues	\$6,230,720	\$5,302,262	\$6,547,812	\$6,646,998	\$12,778,532	\$11,949,260

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(Table 2)
Changes in Net Position (continued)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
General Revenues						
Property Taxes	\$4,367,348	\$4,432,896	\$0	\$0	\$4,367,348	\$4,432,896
Municipal Income Taxes	8,387,294	10,449,462	0	17	8,387,294	10,449,479
Grants and Entitlements not						
Restricted to Specific Programs	638,689	777,765	0	0	638,689	777,765
Investment Income	56,884	42,732	69,286	48,047	126,170	90,779
Gain on Sale of Capital Assets	21,898	644	0	0	21,898	644
Miscellaneous	163,639	267,595	34,877	36,285	198,516	303,880
Total General Revenues	13,635,752	15,971,094	104,163	84,349	13,739,915	16,055,443
Total Revenues	19,866,472	21,273,356	6,651,975	6,731,347	26,518,447	28,004,703
Program Expenses						
General Government	4,903,243	5,075,154	0	0	4,903,243	5,075,154
Security of Persons and Property						
Police	5,453,464	5,453,595	0	0	5,453,464	5,453,595
Fire	4,305,885	4,091,826	0	0	4,305,885	4,091,826
Public Health and Welfare	207,634	192,212	0	0	207,634	192,212
Leisure Time Activities	1,353,647	1,348,774	0	0	1,353,647	1,348,774
Community Development	954,588	867,243	0	0	954,588	867,243
Basic Utility Services	1,037,997	1,035,156	0	0	1,037,997	1,035,156
Transportation	4,282,467	3,700,311	0	0	4,282,467	3,700,311
Interest and Fiscal Charges	378,656	425,081	0	0	378,656	425,081
Water	0	0	3,131,099	3,785,358	3,131,099	3,785,358
Wastewater	0	0	1,832,603	2,340,584	1,832,603	2,340,584
Total Program Expenses	22,877,581	22,189,352	4,963,702	6,125,942	27,841,283	28,315,294
Change in Net Position	(3,011,109)	(915,996)	1,688,273	605,405	(1,322,836)	(310,591)
Net Position Beginning of Year	17,664,128	N/A	15,191,966	N/A	32,856,094	N/A
Net Position End of Year	<u>\$14,653,019</u>	<u>\$17,664,128</u>	<u>\$16,880,239</u>	<u>\$15,191,966</u>	<u>\$31,533,258</u>	<u>\$32,856,094</u>

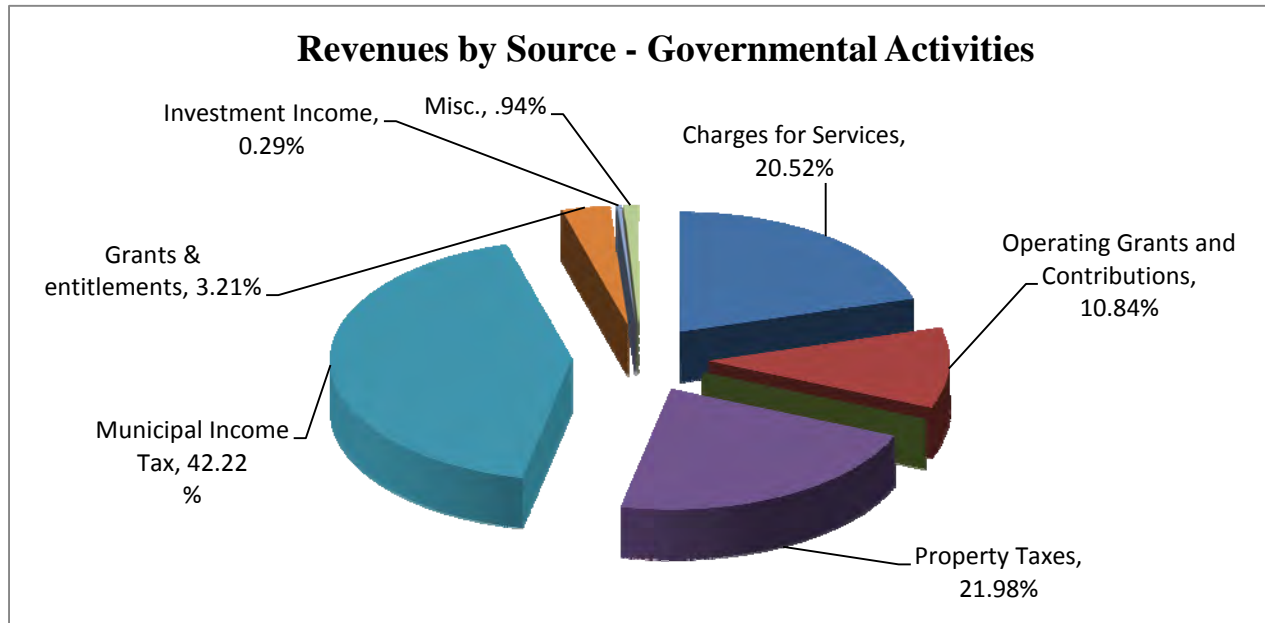
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,852,450 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,994,027. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

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	Governmental Activities	Business-type Activities	Total
Total 2015 program expenses under GASB 68	\$22,877,581	\$4,963,702	\$27,841,283
Pension expense under GASB 68	(1,870,593)	(123,434)	(1,994,027)
2015 contractually required contribution	1,606,237	132,238	1,738,475
Adjusted 2015 program expenses	22,613,225	4,972,506	27,585,731
Total 2014 program expenses under GASB 27	22,189,352	6,125,942	28,315,294
Increase/Decrease in program expenses not related to pension	\$423,873	(\$1,153,436)	(\$729,563)

Governmental Activities

Governmental activities decreased the City's net position by the amount of \$3,011,109. The primary reason for the decrease in net position relates to the decrease in revenues from the income tax collections and fewer operating grants and contributions specifically from State funds. Expenses increased from raises, additional staffing in the fire department, additional salt purchases and new capital projects accounted.



The income tax rate was 2.25 percent for 2015, 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.

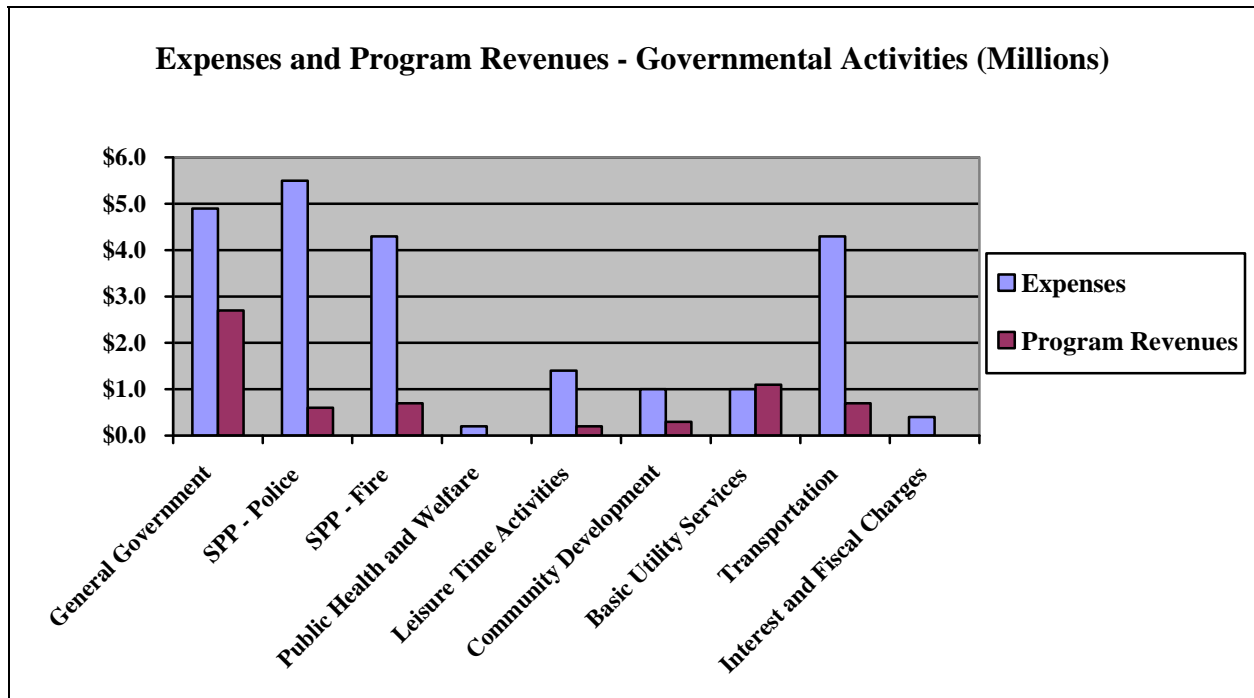
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Decreases in various program expenses were the result of not replacing four employees leaving service as well as the police and fire dispatchers now working for a regional council of governments, the Southeast Emergency Communications Center. Most 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 2015, \$9,759,349 was spent or 42.66 percent of program expenses related to security of persons and property compared to 2014, when \$9,545,421 was spent or 43.02 percent. The cost increase was slight due to wage increases of fire and police employees and increased payrolls in fire.

The next largest expenses were from general government expenses. The City reduced spending in all departments. During 2015, \$4,903,243 was spent or 21.43 percent of program expenses related general government administration and the Bedford Municipal Court costs compared to 2014, when \$5,075,154 was spent or 22.87 percent.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winters were difficult during 2014-2015 and very good in 2015-2016; this had the City buying more salt early and less later in the year and paying much less overtime for service workers. A major change in spending was due to the road reconstruction expenditures in 2015. The City maintains salt funding for two years of winter storms at all times.



Business-Type Activities

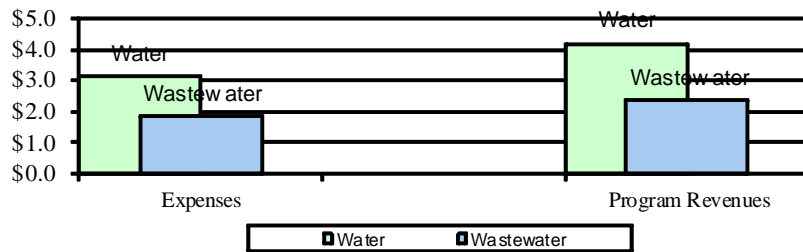
The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net position by \$1,688,273. Program revenues were more than program expenses for water operations in 2015 due to increased water rates of 6.1 percent in 2014 and 5.52 percent in 2015. These revenue increases are classified as charges for services. The minimum water rate increases of three percent

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annually went into effect in 2011. The City of Cleveland sells water to the City of Bedford at a discount, however, the City of Cleveland increased its water rates to the City of Bedford. The City rebills these rate increases to our residents at the rate of 3.14 percent in 2014 and 2.52 percent in 2015.

Program revenues were more than program expenses for the wastewater operations for 2015. A 4 percent increase in wastewater rates was placed into effect in 2011, 2012, 2013 and 2014 while a 15 percent increase was placed into effect in 2015. The loss of revenue from the closing of Ben Venue Laboratories was the main reason for the increase in water and sewer rates. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels for non-payment.

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 with the balance sheet. These funds are accounted for using the modified accrual basis of accounting.

All governmental funds had total revenues of \$19,126,512 in 2015 and total expenditures of \$22,056,785 in 2015 leaving a difference of revenues over (under) expenditures of (\$2,930,273). The most significant change in our funds from 2014 to 2015 were the decreases in municipal income taxes and intergovernmental revenue which was the direct result of the previously mentioned State revenue cuts and the elimination of revenue to municipalities. The main reason for the increase in expenses was the increase in capital outlay over 2014 with an increase in street projects. Increases in spending occurred in the general government as employees were granted pay raises.

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$9,069,056 of which \$7,648,848 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 2015 unassigned fund balance represents 48.15 percent of total general fund expenditures and transfers out, while total fund balances represents 57.10 percent. The unassigned fund balance will cover 177 days of City general fund expenditures. This is another way to express the general fund's liquidity.

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During the current year, the fund balance of the City's general fund decreased by (\$2,244,581). The decrease in the general fund balance is due to the reduction in income tax collections, specifically Ben Venue Laboratories which was the City's largest employer. More spending occurred with an increase in transportation activities and general maintenance costs. The income tax revenue in the general fund for 2015 was \$7,551,357 compared to \$9,507,499 in 2014. Transfers out in 2015 were more than 2014 due to the public safety and street maintenance and repair special revenue funds needing additional transfers in. These transfers are identified in Note 10 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2015 increased to \$173,317. The City's police and fire department operations are included in this fund.

Other governmental funds had a decrease in fund balance due to an increase in capital outlay for roads and service equipment. The City continues to increase requests for 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 2015, 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 \$13,473,010. The final budgeted revenue amount was \$13,477,094, while actual revenues were \$13,340,215. The general fund's original appropriations were budgeted at \$10,693,711. The final budgeted appropriations were \$10,923,870, while actual expenditures were \$10,094,829. The City of Bedford's ending unencumbered cash balance in the general fund was increased by \$822,005 above the final budgeted amount.

The differences between the general fund's original and final amended revenue budget vs actual revenue were minor, the largest variance (negative) was property tax revenues due to delinquencies. Fines and forfeitures had a negative variance also. Intergovernmental revenues were above the budget figures as the City received more local government funding this year. Expenditure budget amounts had major changes:

- ❑ The most significant budget (appropriation) change was the increase in general government as the budget was amended for increases in income tax refunds and updated equipment purchases and the purchase of the Moonglow Tavern for economic development purposes. Also, municipal court payables for health insurance claims were recorded for the first year. The other significant change was within the transportation activities where the City increased the appropriations for overtime and the installation of a City hall sign.
- ❑ The transfers out to other funds had unspent expenditures versus final budgeted amounts due to less money being needed to support street maintenance and recreation programs.
- ❑ General government expenditures left unspent consisted of the following:

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- The Municipal Court realized savings from health insurance expenses, however, claims payable were significant in the next 60-day measurement period.
 - The income tax department realized savings from tax refunds under audit.
 - The Municipal Complex Building maintenance department realized savings from the purchase of properties less than anticipated, natural gas savings and less rents and leases.
 - The law department realized savings from Law Director hiring under what was budgeted.
 - The police (non-officer) department realized savings from the elimination of dispatching costs.
- Actual expenditures were \$829,041 less than appropriations due mainly to less employees and 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	
	2015	2014	2015	2014	2015	2014
Land	\$3,074,135	\$2,908,079	\$28,620	\$28,620	\$3,102,755	\$2,936,699
Construction in Progress	12,000	0	1,294,652	821,072	1,306,652	821,072
Buildings and Improvements	12,461,163	12,798,311	6,465,816	6,398,399	18,926,979	19,196,710
Machinery and Equipment	1,135,503	996,166	1,100,891	1,145,670	2,236,394	2,141,836
Furniture and Fixtures	95,896	116,758	0	0	95,896	116,758
Vehicles	638,420	689,085	171,668	167,450	810,088	856,535
Infrastructure	9,611,107	10,758,585	8,884,063	9,058,918	18,495,170	19,817,503
Total	\$27,028,224	\$28,266,984	\$17,945,710	\$17,620,129	\$44,973,934	\$45,887,113

Total governmental capital assets decreased in 2015. Decreases in many capital asset categories occurred in 2015 mostly due to depreciation expense and the disposal of machinery and equipment. The depreciation expense of governmental activity assets for the year 2015 was \$2,226,790. The City had additions to governmental capital assets consisting of machinery and equipment and road improvements. The business-type construction in progress completed \$298,596 in finished projects that consisted primarily of the wastewater distributor, the primary tank replacement and the 3 way valve RPL Piping improvement projects. Additional construction in progress starting in 2015 consisted mostly of wastewater projects mainly to replace the pumps in pumping stations.

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

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Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$9,673,174	\$10,525,186	\$8,172,090	\$8,591,978	\$17,845,264	\$19,117,164
Special Assessment Bonds	0	60,000	0	0	0	60,000
OPWC Loans	544,325	596,171	1,170,364	1,264,195	1,714,689	1,860,366
OWDA Loans	0	0	1,198,841	1,324,296	1,198,841	1,324,296
Net Pension Liability	18,581,388	17,661,776	1,134,739	1,109,109	19,716,127	18,770,885
Police Pension	161,660	166,917	0	0	161,660	166,917
Capital Leases	85,006	27,222	0	0	85,006	27,222
Compensated Absences	1,544,452	1,390,588	90,578	91,259	1,635,030	1,481,847
Total	\$30,590,005	\$30,427,860	\$11,766,612	\$12,380,837	\$42,356,617	\$42,808,697

There are multiple general obligation bond projects for both governmental and business-type activities that were issued for both improvements and to refund previously issued debt, capitalizing on reductions to interest rates.

The last of the special assessment bond payments were made in 2015. No more of this debt is due and a residual amount remains from prior year's advances into this fund along with penalties and interest. Transfers back to the general fund will occur in 2016 to close this fund.

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

GASB 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure.

The police pension liability loan is a specific one-time liability for the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established.

The business-type debt consisted of general obligation bonds along with OPWC and OWDA loans.

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 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.

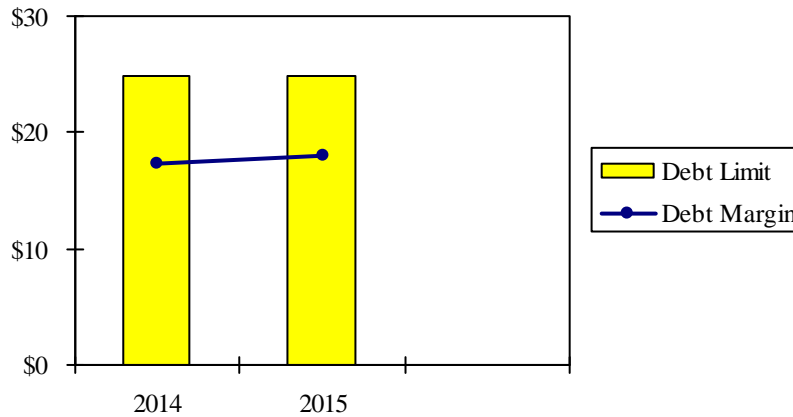
The water and sewer rates along with respective collections pay for the retirement of an Ohio Public Works Commission Loan (Oxidation Tower Project) and the Ohio Water Development Authority Loan (Rapid Sandfilter Project). The City received a grant in 2004 from the State's Issue II funding and an OPWC-Oxidation Tower loan has been granted. 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.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Most of the City's wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has one of these loans outstanding for the following purposes: the 2003 Rapid Sandfilter Improvement. This loan was issued for 20 years at 3.90 percent.

The City, in 2016, issued private placement \$1.4 million in general obligation bonds over a period of 5 years with the purpose of replacing all residential water meters in the City. The project construction is expected to last two years and increase water reading consumption from slow running meters by a range of 3 to 5 percent based on prior replacement results 16 years ago. The interest rate on these bonds is 2.1 percent over the 5 years.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10½ percent of total assessed valuation. The City's overall legal debt limit increased to \$24.9 million in 2015. This is the amount of debt the City is legally allowed to issue and valuation slightly increased. The legal debt margin increased to \$18.0 in 2015 due to the decrease in current year debt and the slight increase in real estate values.



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 now and in the future.

The City of Bedford continues to be financially strong although Moody's Investors Service's on December 4, 2014, "has downgraded to Aa3 from Aa2 the rating on the City of Bedford, OH's outstanding general obligation limited tax (GOLT) debt. Moody's Investors Service is quoted as stating "The Aa3 rating incorporates Bedford's modestly sized tax base located south of Cleveland (A1 stable), somewhat challenged demographic profile relative to other highly rated local governments, and recent economic loss of the City's largest employer and taxpayer. Credit pressure tied to the employer loss will be offset by the City's very strong fiscal and management profile".

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Strengths were quoted as follows:

- Very healthy operating fund balance equivalent to 56 percent of revenue on a GAAP basis at the close of fiscal year 2013 and expectation of positive financial operations in 2014.
- Strong fiscal management practices that include maintenance of a formal financial reserve policy, annually updated five-year operating forecast, and the identification of revenue enhancements.

Challenges were quoted as follows:

- Very modest tax base size that incorporates cumulative 28 percent decline in value from 2006-2014.
- Challenged demographic profile relative to other highly rated local governments as indicated by a negative population trend and falling income levels relative to the nation.
- Recent departure of the City's largest employer and taxpayer that, while partially mitigated by the purchase of the vacated facilities by an industry peer, is expected to drive a sizeable reduction in income tax revenue in the coming year.
- Above average debt burden and exposure to unfunded pension liabilities of two cost-sharing retirement plans.

On February 12, 2015, Standard and Poor's Inc. downgraded the City's financial ratings and assigned its AA-stable long-term rating to the City of Bedford, Ohio series 2016 limited-tax general obligation (GO) various purpose improvements bonds. Standard & Poor's Ratings Services quoted the following:

"The AA-/Stable rating reflects our assessment of Bedford's:

- Weak economy, with significant population decline, but access to a broad and diverse metropolitan statistical area.
- Very strong debt and contingent liability position, with debt service carrying charges at 6.4 percent of expenditures and net direct debt that is 47.3 percent of total governmental fund revenue. Low overall net debt less than 3.0 percent of market value and rapid amortization, with 69.0 percent of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.
- Very strong budgetary flexibility, with an available fund balance in 2014 of 60 percent of operating expenditures;
- Very strong liquidity with total government available cash at 108.7 percent of total governmental fund expenditures and 17.0 percent governmental debt service, and access to external liquidity we consider strong;
- Very strong management with strong financial policies and practices under our Financial Management Assessment (FMA) methodology.

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 will adjust more to counter the loss of the City's largest taxpayer. The City 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 Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$11,706,502	\$9,282,101	\$20,988,603
Cash and Cash Equivalents with Fiscal Agents	0	52,418	52,418
Accounts Receivable	134,581	1,288,717	1,423,298
Accrued Interest Receivable	2,352	10,059	12,411
Intergovernmental Receivable	815,499	0	815,499
Internal Balances	28,112	(28,112)	0
Income Taxes Receivable	2,876,534	0	2,876,534
Materials and Supplies Inventory	149,716	216,382	366,098
Prepaid Items	42,049	0	42,049
Property Taxes Receivable	4,761,342	0	4,761,342
Special Assessments Receivable	1,263,180	0	1,263,180
Assets Held for Resale	381,270	0	381,270
Nondepreciable Capital Assets	3,086,135	1,323,272	4,409,407
Depreciable Capital Assets, Net	23,942,089	16,622,438	40,564,527
<i>Total Assets</i>	<u>49,189,361</u>	<u>28,767,275</u>	<u>77,956,636</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	254,907	15,004	269,911
Pension	2,460,106	192,783	2,652,889
<i>Total Deferred Outflows of Resources</i>	<u>2,715,013</u>	<u>207,787</u>	<u>2,922,800</u>
Liabilities			
Accounts Payable	122,082	52,501	174,583
Accrued Wages	527,699	57,555	585,254
Intergovernmental Payable	301,011	20,638	321,649
Vacation Benefits Payable	713,648	81,874	795,522
Claims Payable	209,733	0	209,733
Unearned Revenue	224,000	0	224,000
Retainage Payable	0	52,418	52,418
Accrued Interest Payable	29,667	43,290	72,957
Long-Term Liabilities:			
Due Within One Year	1,665,503	690,037	2,355,540
Due In More Than One Year			
Net Pension Liability (See Note 15)	18,581,388	1,134,739	19,716,127
Other Amounts	10,343,114	9,941,836	20,284,950
<i>Total Liabilities</i>	<u>32,717,845</u>	<u>12,074,888</u>	<u>44,792,733</u>
Deferred Inflows of Resources			
Property Taxes	4,442,694	0	4,442,694
Pension	90,816	19,935	110,751
<i>Total Deferred Inflows of Resources</i>	<u>4,533,510</u>	<u>19,935</u>	<u>4,553,445</u>
Net Position			
Net Investment in Capital Assets	16,991,691	7,428,993	24,420,684
Restricted for:			
Capital Projects	59,047	0	59,047
Debt Service	370,245	0	370,245
Municipal Courts	374,116	0	374,116
Streets	1,395,266	0	1,395,266
Community Development	421,106	0	421,106
Street Lighting	430,658	0	430,658
Drug Force Violations	171,906	0	171,906
Refuse Collection	783,552	0	783,552
Other Purposes	515,596	0	515,596
Unrestricted (Deficit)	(6,860,164)	9,451,246	2,591,082
<i>Total Net Position</i>	<u>\$14,653,019</u>	<u>\$16,880,239</u>	<u>\$31,533,258</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues		
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions
Governmental Activities			
General Government	\$4,903,243	\$2,005,099	\$693,783
Security of Persons and Property			
Police	5,453,464	75,978	528,757
Fire	4,305,885	427,422	231,128
Public Health and Welfare	207,634	12,823	34,457
Leisure Time Activities	1,353,647	138,904	10,720
Community Development	954,588	315,862	0
Basic Utility Services	1,037,997	1,100,278	0
Transportation	4,282,467	0	655,509
Interest and Fiscal Charges	378,656	0	0
<i>Total Governmental Activities</i>	<u>22,877,581</u>	<u>4,076,366</u>	<u>2,154,354</u>
Business-Type Activities			
Water	3,131,099	4,188,578	0
Wastewater	1,832,603	2,359,234	0
<i>Total Business-Type Activities</i>	<u>4,963,702</u>	<u>6,547,812</u>	<u>0</u>
<i>Total</i>	<u>\$27,841,283</u>	<u>\$10,624,178</u>	<u>\$2,154,354</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

Grants and Entitlements not Restricted
to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year -

Restated (See Note 20)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$2,204,361)	\$0	(\$2,204,361)
(4,848,729)	0	(4,848,729)
(3,647,335)	0	(3,647,335)
(160,354)	0	(160,354)
(1,204,023)	0	(1,204,023)
(638,726)	0	(638,726)
62,281	0	62,281
(3,626,958)	0	(3,626,958)
(378,656)	0	(378,656)
<u>(16,646,861)</u>	<u>0</u>	<u>(16,646,861)</u>
0	1,057,479	1,057,479
<u>0</u>	<u>526,631</u>	<u>526,631</u>
<u>0</u>	<u>1,584,110</u>	<u>1,584,110</u>
<u>(16,646,861)</u>	<u>1,584,110</u>	<u>(15,062,751)</u>
1,892,764	0	1,892,764
2,474,584	0	2,474,584
7,552,029	0	7,552,029
835,265	0	835,265
638,689	0	638,689
56,884	69,286	126,170
21,898	0	21,898
<u>163,639</u>	<u>34,877</u>	<u>198,516</u>
<u>13,635,752</u>	<u>104,163</u>	<u>13,739,915</u>
(3,011,109)	1,688,273	(1,322,836)
<u>17,664,128</u>	<u>15,191,966</u>	<u>32,856,094</u>
<u>\$14,653,019</u>	<u>\$16,880,239</u>	<u>\$31,533,258</u>

City of Bedford, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$8,096,287	\$530,395	\$2,831,748	\$11,458,430
Property Taxes Receivable	2,062,538	2,698,804	0	4,761,342
Income Taxes Receivable	2,876,534	0	0	2,876,534
Accounts Receivable	134,581	0	0	134,581
Intergovernmental Receivable	299,575	174,825	341,099	815,499
Interfund Receivable	261,372	0	0	261,372
Accrued Interest Receivable	2,352	0	0	2,352
Materials and Supplies Inventory	144,746	4,970	0	149,716
Prepaid Items	42,049	0	0	42,049
Special Assessments Receivable	158,241	0	1,104,939	1,263,180
Assets Held for Resale	30,998	0	350,272	381,270
<i>Total Assets</i>	<u>\$14,109,273</u>	<u>\$3,408,994</u>	<u>\$4,628,058</u>	<u>\$22,146,325</u>
Liabilities				
Accounts Payable	\$81,030	\$0	\$41,052	\$122,082
Accrued Wages	255,428	266,161	6,110	527,699
Intergovernmental Payable	165,765	132,812	2,434	301,011
Claims Payable	76,446	0	0	76,446
Interfund Payable	0	0	261,372	261,372
Unearned Revenue	0	0	224,000	224,000
<i>Total Liabilities</i>	<u>578,669</u>	<u>398,973</u>	<u>534,968</u>	<u>1,512,610</u>
Deferred Inflows of Resources				
Property Taxes	1,924,486	2,518,208	0	4,442,694
Unavailable Revenue	2,537,062	318,496	1,310,535	4,166,093
<i>Total Deferred Inflows of Resources</i>	<u>4,461,548</u>	<u>2,836,704</u>	<u>1,310,535</u>	<u>8,608,787</u>
Fund Balances				
Nonspendable	217,793	4,970	0	222,763
Restricted	0	168,347	3,189,954	3,358,301
Committed	80,219	0	20,150	100,369
Assigned	1,122,196	0	0	1,122,196
Unassigned (Deficit)	7,648,848	0	(427,549)	7,221,299
<i>Total Fund Balances</i>	<u>9,069,056</u>	<u>173,317</u>	<u>2,782,555</u>	<u>12,024,928</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$14,109,273</u>	<u>\$3,408,994</u>	<u>\$4,628,058</u>	<u>\$22,146,325</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2015*

Total Governmental Fund Balances \$12,024,928

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 27,028,224

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

Delinquent Property Taxes	318,648
Income Taxes	2,017,528
Special Assessments	1,263,180
Intergovernmental	566,737

Total 4,166,093

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 position:

Net Position	114,785
Internal Balances	28,112

Total 142,897

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (29,667)

Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds. (713,648)

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	2,460,106
Deferred Inflows - Pension	(90,816)
Net Pension Liability	(18,581,388)

Total (16,212,098)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(9,673,174)
OPWC Loans	(544,325)
Police Pension	(161,660)
Capital Leases	(85,006)
Compensated Absences	(1,544,452)
Deferred Charge on Refunding	254,907

Total (11,753,710)

Net Position of Governmental Activities \$14,653,019

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, 2015

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,903,702	\$2,488,893	\$0	\$4,392,595
Municipal Income Taxes	7,551,357	0	835,265	8,386,622
Charges for Services	774,148	0	100	774,248
Fees, Licenses and Permits	231,652	28	0	231,680
Fines and Forfeitures	1,575,475	0	232,259	1,807,734
Intergovernmental	1,272,816	411,607	1,081,249	2,765,672
Special Assessments	32,718	0	392,621	425,339
Contributions and Donations	0	0	14,860	14,860
Interest	40,771	2,005	12,849	55,625
Rentals	108,498	0	0	108,498
Other	76,928	0	86,711	163,639
<i>Total Revenues</i>	<u>13,568,065</u>	<u>2,902,533</u>	<u>2,655,914</u>	<u>19,126,512</u>
Expenditures				
Current:				
General Government	5,040,749	0	77,328	5,118,077
Security of Persons and Property:				
Police	2,029,982	2,873,092	390,672	5,293,746
Fire	184,919	3,678,728	2,250	3,865,897
Public Health and Welfare	158,819	0	48,039	206,858
Leisure Time Activities	1,269,223	0	14,356	1,283,579
Community Development	649,390	0	296,568	945,958
Basic Utility Services	645,428	0	391,951	1,037,379
Transportation	1,612,837	0	683,395	2,296,232
Capital Outlay	0	0	672,342	672,342
Debt Service:				
Principal Retirement	18,683	0	951,246	969,929
Interest and Fiscal Charges	7,039	0	359,749	366,788
<i>Total Expenditures</i>	<u>11,617,069</u>	<u>6,551,820</u>	<u>3,887,896</u>	<u>22,056,785</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,950,996</u>	<u>(3,649,287)</u>	<u>(1,231,982)</u>	<u>(2,930,273)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	21,898	21,898
Inception of Capital Lease	71,210	0	0	71,210
Transfers In	0	3,658,810	652,122	4,310,932
Transfers Out	(4,266,787)	0	(44,145)	(4,310,932)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,195,577)</u>	<u>3,658,810</u>	<u>629,875</u>	<u>93,108</u>
<i>Net Change in Fund Balances</i>	<u>(2,244,581)</u>	<u>9,523</u>	<u>(602,107)</u>	<u>(2,837,165)</u>
<i>Fund Balances Beginning of Year</i>	<u>11,313,637</u>	<u>163,794</u>	<u>3,384,662</u>	<u>14,862,093</u>
<i>Fund Balances End of Year</i>	<u>\$9,069,056</u>	<u>\$173,317</u>	<u>\$2,782,555</u>	<u>\$12,024,928</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, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$2,837,165)

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 Asset Additions	990,247	
Current Year Depreciation	<u>(2,226,790)</u>	
Total		(1,236,543)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (2,217)

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

Delinquent Property Taxes	(25,247)	
Income Taxes	672	
Special Assessments	728,867	
Intergovernmental	12,511	
Transportation	<u>(83,455)</u>	
Total		633,348

Other financing sources, such as inception of capital lease, in the governmental funds increase long-term liabilities in the statement of net position. (71,210)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,606,237

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,870,593)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 969,929

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	1,958	
Amortization of Premium	15,201	
Amortization of Discount	(2,589)	
Amortization of Deferred Charge on Refunding	<u>(26,438)</u>	
Total		(11,868)

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:

Compensated Absences	(153,864)	
Vacation Benefits Payable	<u>(2,687)</u>	
Total		(156,551)

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 Position	(38,289)	
Change in Internal Balance	<u>3,813</u>	
Total		<u>(34,476)</u>

Change in Net Position of Governmental Activities (\$3,011,109)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,015,560	\$2,015,560	\$1,903,702	(\$111,858)
Municipal Income Taxes	7,575,795	7,575,795	7,517,556	(58,239)
Charges for Services	606,470	607,745	606,507	(1,238)
Fees, Licenses and Permits	257,000	259,488	212,376	(47,112)
Fines and Forfeitures	1,673,500	1,673,500	1,578,751	(94,749)
Intergovernmental	1,157,885	1,158,206	1,312,765	154,559
Special Assessments	30,000	30,000	32,718	2,718
Interest	22,400	22,400	36,128	13,728
Rentals	97,750	97,750	108,498	10,748
Other	36,650	36,650	31,214	(5,436)
<i>Total Revenues</i>	13,473,010	13,477,094	13,340,215	(136,879)
Expenditures				
Current:				
General Government	5,283,256	5,455,019	4,937,917	517,102
Security of Persons and Property:				
Police	2,259,938	2,259,938	2,024,438	235,500
Fire	180,706	186,706	181,826	4,880
Public Health and Welfare	51,250	51,250	51,250	0
Leisure Time Activities	123,576	123,576	121,336	2,240
Community Development	479,814	487,210	454,548	32,662
Basic Utility Services	720,000	720,000	704,208	15,792
Transportation	1,595,171	1,640,171	1,619,306	20,865
<i>Total Expenditures</i>	10,693,711	10,923,870	10,094,829	829,041
<i>Excess of Revenues Over (Under) Expenditures</i>	2,779,299	2,553,224	3,245,386	692,162
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	73,500	0	(73,500)
Advances In	0	79,110	79,110	0
Transfers Out	(5,519,505)	(5,628,705)	(5,425,362)	203,343
<i>Total Other Financing Sources (Uses)</i>	(5,509,505)	(5,476,095)	(5,346,252)	129,843
<i>Net Change in Fund Balance</i>	(2,730,206)	(2,922,871)	(2,100,866)	822,005
<i>Fund Balance Beginning of Year</i>	9,548,423	9,548,423	9,548,423	0
Prior Year Encumbrances Appropriated	170,474	170,474	170,474	0
<i>Fund Balance End of Year</i>	\$6,988,691	\$6,796,026	\$7,618,031	\$822,005

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$2,635,585	\$2,635,585	\$2,488,893	(\$146,692)
Fees, Licenses and Permits	50	50	28	(22)
Intergovernmental	1,008,851	1,008,851	435,828	(573,023)
Interest	1,065	1,065	2,005	940
Other	100	100	0	(100)
<i>Total Revenues</i>	<u>3,645,651</u>	<u>3,645,651</u>	<u>2,926,754</u>	<u>(718,897)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	3,057,915	3,057,915	2,865,471	192,444
Fire	4,181,942	4,281,942	3,692,398	589,544
<i>Total Expenditures</i>	<u>7,239,857</u>	<u>7,339,857</u>	<u>6,557,869</u>	<u>781,988</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,594,206)	(3,694,206)	(3,631,115)	63,091
Other Financing Sources (Uses)				
Transfers In	3,678,965	3,768,965	3,658,810	(110,155)
<i>Net Change in Fund Balance</i>	84,759	74,759	27,695	(47,064)
<i>Fund Balance Beginning of Year</i>	491,947	491,947	491,947	0
Prior Year Encumbrances Appropriated	4,723	4,723	4,723	0
<i>Fund Balance End of Year</i>	<u>\$581,429</u>	<u>\$571,429</u>	<u>\$524,365</u>	<u>(\$47,064)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Enterprise			Internal Service
	Water	Wastewater	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,802,254	\$3,479,847	\$9,282,101	\$248,072
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	15,000	37,418	52,418	0
Receivables:				
Accounts	792,208	496,509	1,288,717	0
Accrued Interest	6,288	3,771	10,059	0
Materials and Supplies Inventory	139,436	76,946	216,382	0
<i>Total Current Assets</i>	<u>6,755,186</u>	<u>4,094,491</u>	<u>10,849,677</u>	<u>248,072</u>
<i>Noncurrent Assets</i>				
Nondepreciable Capital Assets	0	1,323,272	1,323,272	0
Depreciable Capital Assets, Net	7,090,468	9,531,970	16,622,438	0
<i>Total Noncurrent Assets</i>	<u>7,090,468</u>	<u>10,855,242</u>	<u>17,945,710</u>	<u>0</u>
<i>Total Assets</i>	<u>13,845,654</u>	<u>14,949,733</u>	<u>28,795,387</u>	<u>248,072</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	4,081	10,923	15,004	0
Pension	64,261	128,522	192,783	0
<i>Total Deferred Outflows of Resources</i>	<u>68,342</u>	<u>139,445</u>	<u>207,787</u>	<u>0</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	5,910	46,591	52,501	0
Accrued Wages	19,289	38,266	57,555	0
Intergovernmental Payable	6,722	13,916	20,638	0
Retainage Payable	15,000	37,418	52,418	0
Vacation Benefits Payable	26,326	55,548	81,874	0
Compensated Absences Payable	550	55,461	56,011	0
Accrued Interest Payable	8,865	34,425	43,290	0
General Obligation Bonds Payable	180,600	229,200	409,800	0
OPWC Loans Payable	42,700	51,131	93,831	0
OWDA Loans Payable	0	130,395	130,395	0
Claims Payable	0	0	0	133,287
<i>Total Current Liabilities</i>	<u>305,962</u>	<u>692,351</u>	<u>998,313</u>	<u>133,287</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	18,782	15,785	34,567	0
Net Pension Liability	378,246	756,493	1,134,739	0
General Obligation Bonds Payable	3,253,987	4,508,303	7,762,290	0
OPWC Loans Payable	601,850	474,683	1,076,533	0
OWDA Loans Payable	0	1,068,446	1,068,446	0
<i>Total Long-Term Liabilities</i>	<u>4,252,865</u>	<u>6,823,710</u>	<u>11,076,575</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,558,827</u>	<u>7,516,061</u>	<u>12,074,888</u>	<u>133,287</u>
Deferred Inflows of Resources				
Pension	6,645	13,290	19,935	0
Net Position				
Net Investment in Capital Assets	3,021,772	4,407,221	7,428,993	0
Unrestricted	6,326,752	3,152,606	9,479,358	114,785
<i>Total Net Position</i>	<u>\$9,348,524</u>	<u>\$7,559,827</u>	<u>16,908,351</u>	<u>\$114,785</u>

Net position reported for business-type activities in the statement of net position are different because they include accumulated overpayments to the internal service fund: (28,112)

Net position of business-type activities \$16,880,239

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015*

	Enterprise			Internal Service
	Water	Wastewater	Total	
Operating Revenues				
Charges for Services	\$4,188,578	\$2,359,234	\$6,547,812	\$2,620,004
Other	34,481	396	34,877	0
<i>Total Operating Revenues</i>	<u>4,223,059</u>	<u>2,359,630</u>	<u>6,582,689</u>	<u>2,620,004</u>
Operating Expenses				
Personal Services	474,145	997,505	1,471,650	0
Contractual Services	2,080,984	100,734	2,181,718	366,009
Materials and Supplies	283,283	245,072	528,355	0
Depreciation	185,760	346,300	532,060	0
Claims	0	0	0	2,293,543
Other	1,005	2,320	3,325	0
<i>Total Operating Expenses</i>	<u>3,025,177</u>	<u>1,691,931</u>	<u>4,717,108</u>	<u>2,659,552</u>
<i>Operating Income (Loss)</i>	<u>1,197,882</u>	<u>667,699</u>	<u>1,865,581</u>	<u>(39,548)</u>
Non-Operating Revenues (Expenses)				
Interest	40,774	28,512	69,286	1,259
Interest and Fiscal Charges	(104,535)	(138,246)	(242,781)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(63,761)</u>	<u>(109,734)</u>	<u>(173,495)</u>	<u>1,259</u>
<i>Change in Net Position</i>	1,134,121	557,965	1,692,086	(38,289)
<i>Net Position Beginning of Year - Restated (See Note 20)</i>	<u>8,214,403</u>	<u>7,001,862</u>		<u>153,074</u>
<i>Net Position End of Year</i>	<u><u>\$9,348,524</u></u>	<u><u>\$7,559,827</u></u>		<u><u>\$114,785</u></u>

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

(3,813)

Change in net position of business-type activities

\$1,688,273

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Enterprise			Internal Service
	Water	Wastewater	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,188,920	\$2,350,498	\$6,539,418	\$0
Cash Received from Interfund Services Provided	0	0	0	2,620,004
Other Cash Receipts	34,481	396	34,877	0
Cash Payments to Employees for Services	(481,330)	(1,000,904)	(1,482,234)	0
Cash Payments for Goods and Services	(2,503,054)	(502,037)	(3,005,091)	(366,009)
Cash Payments for Claims	0	0	0	(2,354,008)
Other Cash Payments	(1,005)	(2,320)	(3,325)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,238,012</u>	<u>845,633</u>	<u>2,083,645</u>	<u>(100,013)</u>
Cash Flows from Capital and Related Financing Activities				
Principal Paid on General Obligation Bonds	(185,600)	(220,000)	(405,600)	0
Interest Paid on General Obligation Bonds	(107,189)	(133,105)	(240,294)	0
Principal Paid on OWDA Loans	0	(125,455)	(125,455)	0
Interest Paid on OWDA Loans	0	(50,436)	(50,436)	0
Principal Paid on OPWC Loans	(42,700)	(51,131)	(93,831)	0
Cash Increase (Decrease) on Retainage Contracts	0	27,019	27,019	0
Payments for Capital Acquisitions	(63,379)	(794,262)	(857,641)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(398,868)</u>	<u>(1,347,370)</u>	<u>(1,746,238)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	37,511	27,186	64,697	1,259
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	876,655	(474,551)	402,104	(98,754)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,940,599</u>	<u>3,991,816</u>	<u>8,932,415</u>	<u>346,826</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,817,254</u>	<u>\$3,517,265</u>	<u>\$9,334,519</u>	<u>\$248,072</u>

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2015

	Enterprise			Internal Service
	Water	Wastewater	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$1,197,882	\$667,699	\$1,865,581	(\$39,548)
Adjustments:				
Depreciation	185,760	346,300	532,060	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	342	(8,736)	(8,394)	0
Materials and Supplies Inventory	25,772	844	26,616	0
Deferred Outflows - Pension	7,105	14,210	21,315	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(164,558)	(157,074)	(321,632)	0
Accrued Wages	1,443	3,181	4,624	0
Intergovernmental Payable	(2,805)	(3,695)	(6,500)	0
Vacation Benefits Payable	446	329	775	0
Net Pension Liability	(6,973)	(13,946)	(20,919)	0
Compensated Absences Payable	(3,335)	2,654	(681)	0
Claims Payable	0	0	0	(60,465)
Deferred Inflows - Pension	(3,067)	(6,133)	(9,200)	0
<i>Total Adjustments</i>	40,130	177,934	218,064	(60,465)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,238,012</u>	<u>\$845,633</u>	<u>\$2,083,645</u>	<u>(\$100,013)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

Assets	
Equity in Pooled Cash and Cash Equivalents	\$147,370
Cash and Cash Equivalents in Segregated Accounts	<u>187,595</u>
<i>Total Assets</i>	<u><u>\$334,965</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$334,965</u></u>

See accompanying notes to the basic financial statements

NOTES TO **B**ASIC **F**INANCIAL **S**TATEMENTS





City of BEDFORD, Ohio

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 that 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.

The City participates in two jointly governed organizations. These organizations are the Southeast Emergency Communication Center and the Northeast Ohio Public Energy Council and are presented in Note 19 to the basic financial statements.

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 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 position 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, 2015

Government-wide Financial Statements The statement of net position 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 position 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 deferred outflows of resources and liabilities and deferred inflows of resources 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.

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, 2015

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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 position and changes in net position. 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, the amounts collected by the municipal court that are paid to other governments and confiscated monies received by the SEALE Drug Task Force.

Measurement Focus

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

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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. 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, 2015

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, in the recording of deferred outflows/inflows of resources 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.

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The City recognizes unearned revenue for the long-term leasing of billboards throughout the City.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 25. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 15)

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Pooled Cash and Cash Equivalents

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

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

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 2015, investments were limited to repurchase agreements, money market, federal farm credit bank notes, federal national mortgage association notes, federal home loan mortgage corporation notes and federal home loan bank bonds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The fair value of the money market fund is determined by the fund's current share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$40,771, of which \$428 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015, 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 and Housing Rehabilitation in-fill housing project. These programs are reported in the community development block grant special revenue fund and in the general fund.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the water and wastewater enterprise funds represent money set aside as retainage payable on construction projects.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position 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 position 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 acquisition 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:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 position, 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 position rather than as a long-term liability.

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 and net pension liability 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position 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 position is available.

Fund Balance

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

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

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

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

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, as both are equally legally binding) 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. These amounts are assigned by City Council. In the general fund, assigned

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for recreation, cemetery, enterprise zones and to cover a gap between estimated revenues and appropriations in 2016's budget.

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.

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.

Deferred Charge 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, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

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.

Minimum fund balance policy

City Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) in the general fund. The target level is set at 15 percent of general fund's appropriations. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

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:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Fund Balances	General	Public Safety	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$42,049	\$0	\$0	\$42,049
Inventory	144,746	4,970	0	149,716
Assets Held for Resale	30,998	0	0	30,998
<i>Total Nonspendable</i>	<u>217,793</u>	<u>4,970</u>	<u>0</u>	<u>222,763</u>
<u>Restricted for:</u>				
Public Safety Services	0	168,347	0	168,347
Community Development	0	0	421,106	421,106
State Highway Maintenance	0	0	155,621	155,621
Indigent Drivers Rehabilitation	0	0	233,780	233,780
Seale Narcotics Law Enforcement	0	0	171,906	171,906
Enforcement and Education - Alcohol	0	0	4,445	4,445
Street Lighting	0	0	111,103	111,103
Street Construction, Maintenance and Repair	0	0	855,510	855,510
Cemetery Improvements	0	0	43,864	43,864
Municipal Court Special Programs	0	0	365,560	365,560
Indigent Interlock and Monitoring	0	0	91,842	91,842
Debt service payments	0	0	323,971	323,971
Capital Improvements	0	0	59,047	59,047
Other Purposes	0	0	352,199	352,199
<i>Total Restricted</i>	<u>0</u>	<u>168,347</u>	<u>3,189,954</u>	<u>3,358,301</u>
<u>Committed to:</u>				
Capital Improvements	31,519	0	4,440	35,959
Software/Phone Upgrades	36,659	0	15,710	52,369
Equipment Purchases	3,791	0	0	3,791
Attorney Fees	8,250	0	0	8,250
<i>Total Committed</i>	<u>80,219</u>	<u>0</u>	<u>20,150</u>	<u>100,369</u>
<u>Assigned to:</u>				
Recreation, Cemetery and Enterprise Zones	181,067	0	0	181,067
2016 Operations	922,941	0	0	922,941
<u>Purchases on Order:</u>				
Workers' Compensation Billings	9,639	0	0	9,639
Supplies and Equipment Purchases	1,819	0	0	1,819
Software Maintenance Agreements	4,682	0	0	4,682
Association Dues	2,048	0	0	2,048
<i>Total Assigned</i>	<u>1,122,196</u>	<u>0</u>	<u>0</u>	<u>1,122,196</u>
Unassigned (Deficit)	7,648,848	0	(427,549)	7,221,299
Total Fund Balances	<u><u>\$9,069,056</u></u>	<u><u>\$173,317</u></u>	<u><u>\$2,782,555</u></u>	<u><u>\$12,024,928</u></u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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).
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 Fund and Public Safety Special Revenue Fund		
	General	Public Safety
GAAP Basis	(\$2,244,581)	\$9,523
Net Adjustment for Revenue Accruals	963,718	24,221
Beginning Fair Value of Adjustments for Investments	(4,039)	0
Ending Fair Value of Adjustments for Investments	484	0
Beginning Unrecorded Cash	129,095	0
Ending Unrecorded Cash	(125,785)	0
Net Adjustment for Expenditure Accruals	(856,408)	(19)
Advances In	79,110	0
Perspective Difference:		
Enterprise Zone	67,563	0
Cemetery	(5,077)	0
Recreation	44,707	0
Encumbrances	(149,653)	(6,030)
Budget Basis	(\$2,100,866)	\$27,695

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

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, \$6,037,550 of the City's bank balance of \$7,859,762 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, 2015, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Cost				
Repurchase Agreements	\$7,738,321	Less than 30 days	AAAm	56.09%
Fair Value				
Money Market Account	1,557,769	Less than one year	AAAm	11.29
Federal Farm Credit Bank Notes	750,000	Less than three years	AAA	5.44
Federal National Mortgage Association Notes	500,000	Less than five years	AAA	3.62
Federal Home Loan Mortgage Corporation Notes	1,250,000	Less than five years	AAA	9.06
Federal Home Loan Bank Bonds	<u>1,999,852</u>	Less than five years	AAA	14.50
Total Investments	<u>\$13,795,942</u>			

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2015. All of the City's investments are valued using quoted market prices (Level 1 inputs).

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

Credit Risk All investments of the City carry a rating of AAA and AAAM by Standard & Poor's. The City does not have an 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, 2015.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to \$2,000. At December 31, 2015, the amount of delinquent special assessments was \$364,650 in the general fund, the street, construction maintenance and repair fund and the special assessment bond retirement fund.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$21.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$127,486,620
Commercial Industrial/Public Utility	100,406,370
Tangible Personal Property	
Public Utility	<u>9,271,900</u>
Total	<u><u>\$237,164,890</u></u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer 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, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	<u>Amount</u>
Homestead and Rollback	\$243,287
Gasoline Tax	212,072
Local Government	176,374
Grants	93,077
Motor Vehicle License Tax	45,770
Permissive Tax	44,820
Estate Tax	<u>99</u>
Total	<u><u>\$815,499</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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 9 – Accountability

At December 31, 2015, the HUD Rehabilitation Program special revenue and the capital improvement capital projects funds had deficit fund balances of \$261,372 and \$146,027, respectively. The fund deficits are 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.

Note 10 - Interfund Transfers and Balances

Interfund Transfers

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Major Funds:			
Public Safety	\$3,658,810	\$0	\$3,658,810
Other Governmental Funds:			
Street Construction, Maintenance and Repair	229,167	0	229,167
Grants	15,000	0	15,000
General Obligation Bond Retirement	363,810	44,145	407,955
Total Other Governmental Funds	<u>607,977</u>	<u>44,145</u>	<u>652,122</u>
Total	<u>\$4,266,787</u>	<u>\$44,145</u>	<u>\$4,310,932</u>

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, 2015, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$261,372. These loans were made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 11 – Capital Assets

A summary of changes in capital assets during 2015 follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,908,079	\$166,056	\$0	\$3,074,135
Construction in Progress	0	12,000	0	12,000
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,908,079</u>	<u>178,056</u>	<u>0</u>	<u>3,086,135</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	17,627,091	48,500	0	17,675,591
Machinery and Equipment	4,425,024	358,816	(206,263)	4,577,577
Furniture and Fixtures	961,488	0	(8,925)	952,563
Vehicles	4,408,750	135,423	0	4,544,173
Infrastructure:				
Roads	41,568,818	269,452	0	41,838,270
Traffic Signals	1,588,375	0	0	1,588,375
Railroad Closures/Barriers	410,203	0	0	410,203
Storm Sewers	3,508,512	0	0	3,508,512
<i>Total Capital Assets Being Depreciated</i>	<u>74,498,261</u>	<u>812,191</u>	<u>(215,188)</u>	<u>75,095,264</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(4,828,780)	(385,648)	0	(5,214,428)
Machinery and Equipment	(3,428,858)	(217,262)	204,046	(3,442,074)
Furniture and Fixtures	(844,730)	(20,862)	8,925	(856,667)
Vehicles	(3,719,665)	(186,088)	0	(3,905,753)
Infrastructure:				
Roads	(34,384,956)	(1,271,700)	0	(35,656,656)
Traffic Signals	(782,382)	(63,535)	0	(845,917)
Railroad Closures/Barriers	(37,415)	(11,524)	0	(48,939)
Storm Sewers	(1,112,570)	(70,171)	0	(1,182,741)
<i>Total Accumulated Depreciation</i>	<u>(49,139,356)</u>	<u>(2,226,790) *</u>	<u>212,971</u>	<u>(51,153,175)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>25,358,905</u>	<u>(1,414,599)</u>	<u>(2,217)</u>	<u>23,942,089</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$28,266,984</u>	<u>(\$1,236,543)</u>	<u>(\$2,217)</u>	<u>\$27,028,224</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	821,072	772,176	(298,596)	1,294,652
<i>Total Capital Assets Not Being Depreciated</i>	849,692	772,176	(298,596)	1,323,272
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	10,617,942	291,626	0	10,909,568
Machinery and Equipment	7,465,908	44,232	0	7,510,140
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	559,141	48,203	(15,005)	592,339
Infrastructure:				
Water Lines	8,079,887	0	0	8,079,887
Sanitary Sewer Lines	3,184,837	0	0	3,184,837
<i>Total Capital Assets Being Depreciated</i>	30,001,487	384,061	(15,005)	30,370,543
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(4,219,543)	(224,209)	0	(4,443,752)
Machinery and Equipment	(6,320,238)	(89,011)	0	(6,409,249)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(391,691)	(43,985)	15,005	(420,671)
Infrastructure:				
Water Lines	(1,263,494)	(135,085)	0	(1,398,579)
Sanitary Sewer Lines	(942,312)	(39,770)	0	(982,082)
<i>Total Accumulated Depreciation</i>	(13,231,050)	(532,060)	15,005	(13,748,105)
<i>Total Capital Assets Being Depreciated, Net</i>	16,770,437	(147,999)	0	16,622,438
<i>Total Business-Type Capital Assets, Net</i>	\$17,620,129	\$624,177	(\$298,596)	\$17,945,710

* Depreciation expense was charged to governmental functions as follows:

General Government	\$242,111
Security of Persons and Property	
Police	136,319
Fire	204,831
Public Health and Welfare	946
Leisure Time Activities	107,921
Community Development	5,600
Basic Utilities Services	618
Transportation	1,528,444
Total	\$2,226,790

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 12 – Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During 2015, the City sold three homes and demolished two. As of December 31, 2015, the City has three homes remaining which are being held for resale.

Note 13 - Capital Leases

The City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease 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, 2015 follows:

	Amounts
Asset:	
Equipment	\$94,934
Less: Accumulated Depreciation	(7,908)
Current Book Value	\$87,026

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

Year Ending December 31,	
2016	\$21,648
2017	21,648
2018	16,728
2019	13,272
2020	11,710
Present Value of Minimum Lease	\$85,006

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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:

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
<i>General Obligation Bonds</i>				
Various Purpose Refunding	2006	2027	4.00-4.125 %	\$8,929,000
General Obligation Refunding Bonds I	2013	2028	1.0-2.75	2,314,300
Capital Improvement	2010	2031	2.3-5.65	2,145,000
General Obligation Refunding Bonds II	2014	2031	2.25-4.0	835,000
<i>Special Assessment Bonds</i>				
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<i>Ohio Public Works Commission Loans</i>				
Wandle Avenue	2001	2021	0.00	518,579
Broadway Culvert	2011	2031	0.00	492,432
<i>Police Pension</i>	1968	2035	4.25	245,922
Business-Type Activities				
<i>General Obligation Bonds</i>				
<i>Water</i>				
Washington Street Water	2006	2026	4.00-4.125	646,000
Capital Improvement	2010	2036	2.3-5.65	1,625,000
General Obligation Refunding Bonds I	2013	2038	1.0-3.5	1,770,000
General Obligation Refunding Bonds II	2014	2036	2.25-4.0	1,145,000
<i>Wastewater</i>				
Sewer Improvement Refunding Bonds	2006	2022	4.00-4.125	315,000
Capital Improvement	2010	2036	2.3-5.65	1,320,000
General Obligation Refunding Bonds I	2013	2038	1.0-3.5	3,555,700
General Obligation Refunding Bonds II	2014	2036	2.25-4.0	920,000
<i>Ohio Water Development Loans</i>				
<i>Wastewater</i>				
Rapid Sandfilter	2002	2023	3.90	2,427,022
<i>Ohio Public Works Commission Loans</i>				
<i>Water</i>				
Northfield Road Water Line	2007	2029	0.00	400,000
Grand, Franklin Water Line	2012	2032	0.00	454,000
<i>Wastewater</i>				
Oxidation Tower Improvements	2004	2025	0.00	822,286
Sludge Thickener	2008	2029	0.00	200,336

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Changes in long-term obligations during the year ended December 31, 2015, consisted of the following:

	Balance 12/31/14	Increase	Decrease	Balance 12/31/15	Amounts Due in One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
Various Purpose Refunding Bonds					
Serial	\$6,837,900	\$0	\$414,400	\$6,423,500	\$424,400
Premium	36,738	0	2,862	33,876	0
Discount	(33,232)	0	(2,589)	(30,643)	0
Total Various Purpose Refunding Bonds	<u>6,841,406</u>	<u>0</u>	<u>414,673</u>	<u>6,426,733</u>	<u>424,400</u>
General Obligation Refunding Bonds I					
Serial	1,850,800	0	285,000	1,565,800	290,800
Premium	55,507	0	6,812	48,695	0
Total General Obligation Bonds I	<u>1,906,307</u>	<u>0</u>	<u>291,812</u>	<u>1,614,495</u>	<u>290,800</u>
Capital Improvement Bonds					
Serial	890,000	0	140,000	750,000	145,000
Premium	13,436	0	2,371	11,065	0
Total Capital Improvement Bonds	<u>903,436</u>	<u>0</u>	<u>142,371</u>	<u>761,065</u>	<u>145,000</u>
General Obligation Refunding Bonds II					
Premium	835,000	0	0	835,000	0
Premium	39,037	0	3,156	35,881	0
Total General Obligation Bonds II	<u>874,037</u>	<u>0</u>	<u>3,156</u>	<u>870,881</u>	<u>0</u>
<i>Total General Obligation Bonds</i>	<u>10,525,186</u>	<u>0</u>	<u>852,012</u>	<u>9,673,174</u>	<u>860,200</u>
<i>Special Assessment Bonds</i>					
Northfield and Rockside Resurfacing #2	60,000	0	60,000	0	0
<i>Ohio Public Works Commission Loans</i>					
Wandle Avenue	155,573	0	25,929	129,644	25,929
Broadway Culvert	440,598	0	25,917	414,681	25,917
<i>Total Ohio Public Works Commission Loans</i>	<u>596,171</u>	<u>0</u>	<u>51,846</u>	<u>544,325</u>	<u>51,846</u>
<i>Other Long-Term Obligations</i>					
Net Pension Liability					
OPERS	5,052,607	116,759	0	5,169,366	0
OP&F	12,609,169	802,853	0	13,412,022	0
<i>Total Net Pension Liability</i>	<u>17,661,776</u>	<u>919,612</u>	<u>0</u>	<u>18,581,388</u>	<u>0</u>
Police Pension	166,917	0	5,257	161,660	5,483
Capital Leases Payable	27,222	71,210	13,426	85,006	21,648
Compensated Absences Payable	1,390,588	700,291	546,427	1,544,452	726,326
<i>Total Other Long-Term Obligations</i>	<u>19,246,503</u>	<u>1,691,113</u>	<u>565,110</u>	<u>20,372,506</u>	<u>753,457</u>
<i>Total Governmental Activities</i>	<u>\$30,427,860</u>	<u>\$1,691,113</u>	<u>\$1,528,968</u>	<u>\$30,590,005</u>	<u>\$1,665,503</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Balance 12/31/14	Increase	Decrease	Balance 12/31/15	Amounts Due in One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
Washington Street Water	\$447,100	\$0	\$30,600	\$416,500	\$30,600
Unamortized Premium	2,715	0	212	2,503	0
Unamortized Discount	(2,448)	0	(191)	(2,257)	0
Total Washington Street Water	447,367	0	30,621	416,746	30,600
<i>Capital Improvement Bonds</i>					
Serial	315,000	0	50,000	265,000	50,000
Unamortized Premium	4,684	0	827	3,857	0
Total Capital Improvement - Water	319,684	0	50,827	268,857	50,000
<i>General Obligation Refunding Bonds I</i>					
Serial	1,155,000	0	100,000	1,055,000	100,000
Term	465,000	0	0	465,000	0
Unamortized Premium	33,502	0	2,144	31,358	0
Unamortized Discount	(11,282)	0	(483)	(10,799)	0
Total General Obligation Bonds I - Water	1,642,220	0	101,661	1,540,559	100,000
<i>General Obligation Refunding Bonds II</i>					
Serial	1,145,000	0	5,000	1,140,000	0
Unamortized Premium	71,686	0	3,261	68,425	0
Total General Obligation Bonds II - Water	1,216,686	0	8,261	1,208,425	0
<i>Sewer Improvement Refunding</i>					
Serial	300,000	0	0	300,000	5,000
Unamortized Premium	734	0	58	676	0
Unamortized Discount	(489)	0	(39)	(450)	0
Total Sewer Improvement Refunding	300,245	0	19	300,226	5,000
<i>Capital Improvement Bonds</i>					
Serial	255,000	0	40,000	215,000	40,000
Unamortized Premium	3,903	0	689	3,214	0
Total Capital Improvement - Sewer	258,903	0	40,689	218,214	40,000
<i>General Obligation Refunding Bonds I</i>					
Serial	3,129,200	0	180,000	2,949,200	184,200
Term	215,000	0	0	215,000	0
Unamortized Premium	94,523	0	5,708	88,815	0
Unamortized Discount	(9,864)	0	(537)	(9,327)	0
Total General Obligation Bonds I - Sewer	3,428,859	0	185,171	3,243,688	184,200
<i>General Obligation Refunding Bonds II</i>					
Serial	920,000	0	0	920,000	0
Unamortized Premium	58,014	0	2,639	55,375	0
Total General Obligation Bonds II - Sewer	978,014	0	2,639	975,375	0
Total General Obligation Bonds	8,591,978	0	419,888	8,172,090	409,800
<i>OWDA Loans</i>					
Rapid Sandfilter	\$1,324,296	\$0	\$125,455	\$1,198,841	\$130,395

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Balance 12/31/14	Increase	Decrease	Balance 12/31/15	Amounts Due in One Year
Business-Type Activities					
<i>OPWC Loans</i>					
Northfield Road Water Line	\$290,000	\$0	\$20,000	\$270,000	\$20,000
Grand, Franklin Water Line	397,250	0	22,700	374,550	22,700
Oxidation Tower Improvements	431,702	0	41,114	390,588	41,114
Sludge Thickener	145,243	0	10,017	135,226	10,017
<i>Total OPWC Loans</i>	<u>1,264,195</u>	<u>0</u>	<u>93,831</u>	<u>1,170,364</u>	<u>93,831</u>
<i>Other Long-Term Liabilities</i>					
Net Pension Liability OPERS:					
Water	369,703	8,543	0	378,246	0
Wastewater	739,406	17,087	0	756,493	0
<i>Total Net Pension Liability</i>	<u>1,109,109</u>	<u>25,630</u>	<u>0</u>	<u>1,134,739</u>	<u>0</u>
Compensated Absences	91,259	56,173	56,854	90,578	56,011
<i>Total Other Long-Term Liabilities</i>	<u>1,200,368</u>	<u>81,803</u>	<u>56,854</u>	<u>1,225,317</u>	<u>56,011</u>
<i>Total Business-Type Activities</i>	<u><u>\$12,380,837</u></u>	<u><u>\$81,803</u></u>	<u><u>\$696,028</u></u>	<u><u>\$11,766,612</u></u>	<u><u>\$690,037</u></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. A portion of the general obligation bonds, specifically for the construction of the municipal complex and the court, is backed by a .25 percent municipal income tax and a municipal court fee added to court cases, respectively. Special assessment bonds will be paid from the proceeds of special assessments against benefited property owners. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

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

Compensated absences will be paid from the general fund, recreation, street construction maintenance and repair and public safety special revenue funds and water and wastewater enterprise funds. The City pays obligations related to employee compensation from the fund benefitting from their service. See Note 15 for additional information related to the net pension liability. The capital leases payable will be paid from the general fund. The police pension loan will be paid from the general fund.

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, 2015, \$4,995,000 of the defeased bonds are still outstanding.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

In 2013, the City defeased a 2002 various purpose 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, 2015, \$700,000 of the defeased bonds are still outstanding.

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. In 2014, the BABs portion of this debt issue were refunded. The bonds will be repaid from the bond retirement debt service fund and the water and sewer enterprise funds.

In 2014, the City issued general obligation bonds, in the amount of \$2,900,000, to currently refund the Build America Bonds previously issued in 2010 for capital improvements. The bonds were issued with interest rates varying from 2.25 percent to 4 percent. The bonds were issued for a twenty-three year period with a final maturity during 2036. The bonds will be retired through the bond retirement debt service fund and the water and sewer enterprise funds.

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 21.78 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$1,932,940. Principal and interest paid for the current year and total net revenues available were \$227,022 and \$1,042,115, 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 2032. Annual principal payments on the debt issues are expected to require 3.07 percent of net revenues. The total principal remaining to be paid on the debt is \$644,500. Principal paid for the current year and total net revenues available were \$42,700 and \$1,389,935, respectively.

The City's overall legal debt margin was \$18,009,960 at December 31, 2015. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2015, are as follows:
 Governmental Activities

Year	General Obligation Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	
2016	\$860,200	\$376,108	\$5,483	\$6,813	\$51,846
2017	902,700	350,416	5,719	6,578	51,846
2018	961,000	320,608	5,964	6,332	51,847
2019	991,000	287,793	6,221	6,075	51,847
2020	684,300	253,528	6,488	5,808	51,846
2021-2025	3,616,000	687,334	36,866	24,615	129,588
2026-2030	1,549,100	92,526	45,495	16,018	129,588
2031-2035	10,000	400	49,424	5,352	25,917
Total	<u>\$9,574,300</u>	<u>\$2,368,713</u>	<u>\$161,660</u>	<u>\$77,591</u>	<u>\$544,325</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loan
2016	\$409,800	\$353,289	\$130,395	\$45,495	\$93,831
2017	417,300	344,382	135,530	40,361	93,830
2018	374,000	335,639	140,868	35,024	93,831
2019	379,000	327,305	146,415	29,476	93,830
2020	385,700	318,643	152,180	23,710	93,832
2021-2025	1,934,000	851,552	493,453	34,219	448,602
2026-2030	1,905,900	569,420	0	0	218,558
2031-2035	1,725,000	242,235	0	0	34,050
2036-2039	410,000	23,925	0	0	0
Total	<u>\$7,940,700</u>	<u>\$3,366,390</u>	<u>\$1,198,841</u>	<u>\$208,285</u>	<u>\$1,170,364</u>

Note 15 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

City of Bedford, Ohio
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Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Bedford, Ohio
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Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
	14.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$734,650 for 2015. Of this amount, \$67,093 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

City of Bedford, Ohio
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Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,003,825 for 2015. Of this amount \$93,173 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$161,660 payable in semi-annual payments through the year 2035.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

City of Bedford, Ohio
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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,304,105	\$13,412,022	\$19,716,127
Proportion of the Net Pension Liability	0.052268%	0.2588985%	
Pension Expense	\$685,747	\$1,308,280	\$1,994,027

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$336,368	\$578,046	\$914,414
City contributions subsequent to the measurement date	<u>734,650</u>	<u>1,003,825</u>	<u>1,738,475</u>
Total Deferred Outflows of Resources	<u><u>\$1,071,018</u></u>	<u><u>\$1,581,871</u></u>	<u><u>\$2,652,889</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$110,751</u>	<u>\$0</u>	<u>\$110,751</u>

\$1,738,475 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2016	\$32,991	\$144,511	\$177,502
2017	32,991	144,511	177,502
2018	75,543	144,511	220,054
2019	<u>84,092</u>	<u>144,513</u>	<u>228,605</u>
Total	<u><u>\$225,617</u></u>	<u><u>\$578,046</u></u>	<u><u>\$803,663</u></u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Bedford, Ohio
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Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

City of Bedford, Ohio
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Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$11,597,747	\$6,304,105	\$1,845,583

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves

City of Bedford, Ohio
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as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$18,550,855	\$13,412,022	\$9,060,992

City of Bedford, Ohio
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Note 16 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

City of Bedford, Ohio
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Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014 and 2013 was \$122,441, \$132,965 and \$68,485, respectively. For 2015, 85.71 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Police and Fire Pension Fund

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

OPF provides access to postretirement 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 OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 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 OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF 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 premium reimbursements administered 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 OPF 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. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also 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.

City of Bedford, Ohio
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The City's contributions to OPF which were allocated to fund postemployment health care benefits for police and firefighters were \$11,904 and \$11,734 for the year ended December 31, 2015, \$13,039 and \$12,504 for the year ended December 31, 2014, and \$104,975 and \$96,286 for the year ended December 31, 2013. For 2015, 97.44 percent has been contributed for police and 97.92 percent has been contributed for firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Note 17 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$149,653	Water	\$3,160
Public Safety	6,030	Wastewater	1,974,210
Other Governmental Funds	343,740	Total Proprietary	<u>1,977,370</u>
Total Governmental	<u>\$499,423</u>		

Contractual Commitments

As of December 31, 2015, the City had the following contract balances for various construction projects:

Replace Primary Digester	\$1,552,376
Replace Pumps in Other Stations	63,021
Broadway Ave Sanitary Sewer	60,000
East Monroe Sewer Lateral	14,164
Inkers Creek Sewer	12,600
Archer Road Pump Station Rehabilitation	12,078
3-Way Valve Replacement Piping	6,522
Electrical Voltage/Phase Monitoring	4,052
700 Wellmon Demolition	<u>1,800</u>
Total	<u>\$1,726,613</u>

Remaining commitment amounts were encumbered at year end.

Note 18 - 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:

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Type of Coverage	Coverage	Deductible
Automobile Liability	\$5,000,000	\$0
General Liability	5,000,000 per occurrence	1,000
Property Liability	50,343,082	1,000
Boiler and Machinery	10,000,000	1,000
Emergency Medical Services Liability	5,000,000 per occurrence	1,000
Law Enforcement Liability	5,000,000 per occurrence	2,500
Public Officials Liability	5,000,000	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 aggregate	2,500
Fire Damage Liability	100,000	1,000
Electric Software and Data Processing	5,000,000	1,000
Cyber Risk Security	1,000,000 aggregate	10,000

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 \$100,000 per 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 \$133,287 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2015, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds claims liability amount in 2014 and 2015 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	\$184,702	\$2,445,429	\$2,436,379	\$193,752
2015	193,752	2,293,543	2,354,008	133,287

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 19 – Jointly Governed Organizations

Southeast Emergency Communication Center

The City is a member of the Southeast Emergency Communication Center (SECC). SECC was formed by the Southeast Regional Council of Governments to foster cooperation through the sharing of operations of a central dispatch center for safety forces of the participating cities. SECC is currently comprised of 4 communities.

The SECC is provided with legislative oversight from the Mayors of Maple Heights, Bedford Heights, Garfield Heights and the City Manager for the City of Bedford. The SECC's Administrative Board consists of the chiefs of police and fire of each member municipality. If additional municipal corporations contract with the SECC for dispatch services, the Board of Trustees in their discretion shall determine whether or not to increase the size of the Board of Trustees to include new representation. The Board oversees and manages the operation of the program. The degree of control exercised by any participating government is limited to its representation in the general assembly and on the Board. The City of Bedford contributed \$419,376 to SECC during 2015. Financial information can be obtained by contacting Ross Circincione, Administrator, 5661 Perkins Road, Bedford Heights, Ohio 44146.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. This agency is not associated with any material accounts with the City finances itself (they are limited to 700 units or less of consumption). Only the public can use this agency to get electricity.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Bedford did not contribute to NOPEC during 2015. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Note 20 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68," GASB Statement No. 72, "Fair Value Measurement and Application," and GASB Statement No. 77 "Tax Abatement Disclosures."

GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's 2015 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City's 2015 financial statements; however, there was no effect on beginning net position/fund balance.

The implementation of GASB Statement No. 68 had the following effect on net position as reported June 30, 2014:

	Governmental Activities	Business - Type Activities
Net Position December 31, 2014	\$33,611,870	\$16,162,659
Adjustments:		
Net Pension Liability	(17,661,776)	(1,109,109)
Deferred Outflow - Payments Subsequent to Measurement Date	1,714,034	138,416
Restated Net Position December 31, 2014	\$17,664,128	\$15,191,966

	Water	Wastewater	Total Enterprise
Net Position December 31, 2014	\$8,537,967	\$7,648,991	\$16,186,958
Adjustments:			
Net Pension Liability	(369,703)	(739,406)	(1,109,109)
Deferred Outflow - Payments Subsequent to Measurement Date	46,139	92,277	138,416
Restated Net Position December 31, 2014	\$8,214,403	\$7,001,862	15,216,265
		Internal Activity	(24,299)
		Restated Net Position December 31, 2014	\$15,191,966

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 21 - Tax Abatement Disclosures

As of December 31, 2015, the City of Bedford provides tax incentives under two programs: The Community Reinvestment Area (CRA) and The Economic Development Job Creation and Retention Program.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 5709, 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 City of Bedford authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvement have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements. The City of Bedford also contracts with the Bedford City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

Income tax abatement programs

The City of Bedford created the Economic Development Job Creation and Retention Program in 2003, the purpose of the program is to maintain Bedford's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. The cap on the incentive is \$22,500 per year, with an incentive period of no more than 10 years.

City Council's incentive criteria for decision making

The City of Bedford has offered tax incentives and CRA abatements to various businesses based upon substantial project investment into the City. The City considers projects that have at least a \$1 million dollar real estate investment into a property, along with the retention and creation of at least 5 jobs with a payroll increasing at least \$1 million dollars annually. There have been a few CRA tax abatement transactions in the past that were less than the criteria above, however, these projects rehabilitated some areas of the city needing improvement with much success. One project was given incentives to a business to clean up a brownfield making way for new businesses thereby, increasing real estate values on this site and employment as well.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2015.

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) For the year 2015 (In Actual Dollars)
<i>Community Reinvestment Area (CRA)</i>	
- Manufacturing	\$447,886
- Retail	24,857
- Professional Buildings	15,521
<i>Economic Development Job Creation and Retention Program</i>	
- Retail (specifically Auto)	22,500

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Pursuant to Section 5709.82 of the Ohio Revised Code, The City of Bedford and the Bedford City School District in line with section 5709.82 of the Ohio Revised Code, created various Community Reinvestment Area Compensation Agreements. These agreements stating various reimbursement percentages (30 percent, 15 percent and 10 percent), require municipal income tax revenue sharing with the Bedford City School District when new income tax collections exceed \$1 million dollars and the corresponding CRA abatement percentage on the project is greater than 50 percent.

The following are the required amounts of income tax dollars paid by the City to the Bedford City School District in 2015:

- Manufacturing	30 percent of Municipal Income Tax Revenue	\$102,352
- Manufacturing	15 percent of Municipal Income Tax Revenue	14,670
- Retail	15 percent of Municipal Income Tax Revenue	10,264

Note 22 – Subsequent Event

On January 15, 2016, the City issued \$1,400,000 in water distribution improvement bonds, Series 2016, for the purpose of paying costs of improving and renovating the municipal water distribution system by purchasing water meters. The bonds were issued for 5 years with an interest rate of 2.1 percent.

Required Supplementary Information

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.052268%	0.052268%
City's Proportionate Share of the Net Pension Liability	\$6,304,105	\$6,161,716
City's Covered-Employee Payroll	\$6,408,125	\$6,729,755
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	91.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.2588985%	0.2588985%
City's Proportionate Share of the Net Pension Liability	\$13,412,022	\$12,609,169
City's Covered-Employee Payroll	\$5,111,638	\$5,257,964
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	262.38%	239.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$734,650	\$768,977	\$874,868
Contributions in Relation to the Contractually Required Contribution	<u>(734,650)</u>	<u>(768,977)</u>	<u>(874,868)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$6,122,082	\$6,408,125	\$6,729,755
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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City of Bedford Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,003,825	\$1,083,473	\$948,595	\$688,643
Contributions in Relation to the Contractually Required Contribution	<u>(1,003,825)</u>	<u>(1,083,473)</u>	<u>(948,595)</u>	<u>(688,643)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$4,727,481	\$5,111,638	\$5,257,964	\$4,635,599
Contributions as a Percentage of Covered-Employee Payroll	21.23%	21.20%	18.04%	14.86%

2011	2010	2009	2008	2007	2006
\$676,821	\$680,801	\$629,618	\$658,587	\$608,673	\$590,090
(676,821)	(680,801)	(629,618)	(658,587)	(608,673)	(590,090)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,586,587	\$4,613,054	\$4,269,366	\$4,428,420	\$4,101,531	\$4,271,720
14.76%	14.76%	14.75%	14.87%	14.84%	13.81%



City of BEDFORD, Ohio

C OMBINING

S ECTION



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 assigned 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.

SEALE 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 fines and forfeitures 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.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Cemetery Donations Fund - To account for and report restricted cemetery charges to maintain gravesites.

Bedford Municipal Court Legal Research Fund - To account for and report the restricted fines used for personnel researching case law and issues pertinent to the operation of the Court.

Refuse Fee Fund - To account for and report the collection of special assessments restricted for waste collection.

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 Computer Fund - To account for and report the receipt of specific court fees and related expenditures which are restricted to the purchase and upgrade of computer 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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,364,307	\$323,971	\$143,470	\$2,831,748
Intergovernmental Receivable	341,099	0	0	341,099
Special Assessments Receivable	1,102,939	2,000	0	1,104,939
Assets Held for Resale	350,272	0	0	350,272
<i>Total Assets</i>	<u>\$4,158,617</u>	<u>\$325,971</u>	<u>\$143,470</u>	<u>\$4,628,058</u>
Liabilities				
Accounts Payable	\$34,602	\$0	\$6,450	\$41,052
Accrued Wages	6,110	0	0	6,110
Intergovernmental Payable	2,434	0	0	2,434
Interfund Payable	261,372	0	0	261,372
Unearned Revenue	0	0	224,000	224,000
<i>Total Liabilities</i>	<u>304,518</u>	<u>0</u>	<u>230,450</u>	<u>534,968</u>
Deferred Inflows of Resources				
Unavailable Revenue	1,308,535	2,000	0	1,310,535
Fund Balances				
Restricted	2,806,936	323,971	59,047	3,189,954
Committed	0	0	20,150	20,150
Unassigned (Deficit)	(261,372)	0	(166,177)	(427,549)
<i>Total Fund Balances (Deficit)</i>	<u>2,545,564</u>	<u>323,971</u>	<u>(86,980)</u>	<u>2,782,555</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,158,617</u>	<u>\$325,971</u>	<u>\$143,470</u>	<u>\$4,628,058</u>

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$835,265	\$0	\$835,265
Charges for Services	100	0	0	100
Fines and Forfeitures	178,232	0	54,027	232,259
Intergovernmental	1,045,199	0	36,050	1,081,249
Special Assessments	320,249	72,372	0	392,621
Contributions and Donations	14,860	0	0	14,860
Interest	7,999	3,282	1,568	12,849
Other	54,682	361	31,668	86,711
<i>Total Revenues</i>	<u>1,621,321</u>	<u>911,280</u>	<u>123,313</u>	<u>2,655,914</u>
Expenditures				
Current:				
General Government	77,328	0	0	77,328
Security of Persons and Property:				
Police	390,672	0	0	390,672
Fire	2,250	0	0	2,250
Public Health and Welfare	48,039	0	0	48,039
Leisure Time Activities	14,356	0	0	14,356
Community Development	296,568	0	0	296,568
Basic Utility Services	391,951	0	0	391,951
Transportation	683,395	0	0	683,395
Capital Outlay	0	0	672,342	672,342
Debt Service:				
Principal Retirement	0	951,246	0	951,246
Interest and Fiscal Charges	0	359,749	0	359,749
<i>Total Expenditures</i>	<u>1,904,559</u>	<u>1,310,995</u>	<u>672,342</u>	<u>3,887,896</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(283,238)</u>	<u>(399,715)</u>	<u>(549,029)</u>	<u>(1,231,982)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	21,898	0	0	21,898
Transfers In	244,167	407,955	0	652,122
Transfers Out	(44,145)	0	0	(44,145)
<i>Total Other Financing Sources (Uses)</i>	<u>221,920</u>	<u>407,955</u>	<u>0</u>	<u>629,875</u>
<i>Net Change in Fund Balances</i>	(61,318)	8,240	(549,029)	(602,107)
<i>Fund Balances Beginning of Year</i>	<u>2,606,882</u>	<u>315,731</u>	<u>462,049</u>	<u>3,384,662</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,545,564</u>	<u>\$323,971</u>	<u>(\$86,980)</u>	<u>\$2,782,555</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Community Development Block Grant	State Highway	Indigent Drivers
Assets			
Equity in Pooled Cash and Cash Equivalents	\$69,930	\$149,413	\$233,128
Intergovernmental Receivable	3,378	19,286	2,152
Special Assessments Receivable	0	0	0
Assets Held for Resale	350,272	0	0
<i>Total Assets</i>	<u>\$423,580</u>	<u>\$168,699</u>	<u>\$235,280</u>
Liabilities			
Accounts Payable	\$2,474	\$0	\$1,500
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>2,474</u>	<u>0</u>	<u>1,500</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	13,078	0
Fund Balances			
Restricted	421,106	155,621	233,780
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>421,106</u>	<u>155,621</u>	<u>233,780</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$423,580</u>	<u>\$168,699</u>	<u>\$235,280</u>

<u>SEALE Narcotics</u>	<u>Enforcement and Education</u>	<u>Street Lighting</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
\$145,457	\$4,445	\$140,555	\$788,278	\$46,235
26,449	0	0	238,556	0
0	0	319,555	0	0
0	0	0	0	0
<u>\$171,906</u>	<u>\$4,445</u>	<u>\$460,110</u>	<u>\$1,026,834</u>	<u>\$46,235</u>
\$0	\$0	\$29,452	\$1,176	\$0
0	0	0	6,110	0
0	0	0	2,434	0
0	0	0	0	0
0	0	29,452	9,720	0
0	0	319,555	161,604	0
171,906	4,445	111,103	855,510	46,235
0	0	0	0	0
<u>171,906</u>	<u>4,445</u>	<u>111,103</u>	<u>855,510</u>	<u>46,235</u>
<u>\$171,906</u>	<u>\$4,445</u>	<u>\$460,110</u>	<u>\$1,026,834</u>	<u>\$46,235</u>

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2015

	Motor Vehicle License	Grants	Municipal Court Special Programs
Assets			
Equity in Pooled Cash and Cash Equivalents	\$187,904	\$88,972	\$365,560
Intergovernmental Receivable	44,820	6,458	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	0	0	0
<i>Total Assets</i>	<u>\$232,724</u>	<u>\$95,430</u>	<u>\$365,560</u>
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	30,914	0	0
Fund Balances			
Restricted	201,810	95,430	365,560
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>201,810</u>	<u>95,430</u>	<u>365,560</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$232,724</u>	<u>\$95,430</u>	<u>\$365,560</u>

HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Donations	Bedford Municipal Court Legal Research	Refuse Fee	Total Nonmajor Special Revenue Funds
\$0	\$91,842	\$43,864	\$8,556	\$168	\$2,364,307
0	0	0	0	0	341,099
0	0	0	0	783,384	1,102,939
0	0	0	0	0	350,272
<u>\$0</u>	<u>\$91,842</u>	<u>\$43,864</u>	<u>\$8,556</u>	<u>\$783,552</u>	<u>\$4,158,617</u>
\$0	\$0	\$0	\$0	\$0	\$34,602
0	0	0	0	0	6,110
0	0	0	0	0	2,434
261,372	0	0	0	0	261,372
<u>261,372</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>304,518</u>
0	0	0	0	783,384	1,308,535
0	91,842	43,864	8,556	168	2,806,936
(261,372)	0	0	0	0	(261,372)
<u>(261,372)</u>	<u>91,842</u>	<u>43,864</u>	<u>8,556</u>	<u>168</u>	<u>2,545,564</u>
<u>\$0</u>	<u>\$91,842</u>	<u>\$43,864</u>	<u>\$8,556</u>	<u>\$783,552</u>	<u>\$4,158,617</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, 2015

	Community Development Block Grant	State Highway	Indigent Drivers	SEALE Narcotics	Enforcement and Education
Revenues					
Charges for Services	\$0	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	63,895	34,457	279,443	500
Special Assessments	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	0	534	978	0	18
Other	0	0	0	54,630	0
<i>Total Revenues</i>	<u>0</u>	<u>64,429</u>	<u>35,435</u>	<u>334,073</u>	<u>518</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	0	302,626	0
Fire	0	0	0	0	0
Public Health and Welfare	0	0	48,039	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	150,695	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	0	42,338	0	0	0
<i>Total Expenditures</i>	<u>150,695</u>	<u>42,338</u>	<u>48,039</u>	<u>302,626</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(150,695)</u>	<u>22,091</u>	<u>(12,604)</u>	<u>31,447</u>	<u>518</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(150,695)</u>	<u>22,091</u>	<u>(12,604)</u>	<u>31,447</u>	<u>518</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>571,801</u>	<u>133,530</u>	<u>246,384</u>	<u>140,459</u>	<u>3,927</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$421,106</u>	<u>\$155,621</u>	<u>\$233,780</u>	<u>\$171,906</u>	<u>\$4,445</u>

Street Lighting	Street Construction, Maintenance and Repair	Law Enforcement Trust	Motor Vehicle License	Grants	Municipal Court Special Programs	HUD Rehabilitation Program
\$0	\$0	\$0	\$0	\$100	\$0	\$0
0	0	12,458	0	0	132,538	0
0	487,459	0	88,314	91,131	0	0
320,081	0	0	0	0	0	0
0	0	0	0	14,860	0	0
704	3,023	94	672	0	1,403	0
0	0	0	0	0	0	0
<u>320,785</u>	<u>490,482</u>	<u>12,552</u>	<u>88,986</u>	<u>106,091</u>	<u>133,941</u>	<u>0</u>
0	0	0	0	25,000	21,264	0
0	0	2,699	0	85,347	0	0
0	0	0	0	2,250	0	0
0	0	0	0	0	0	0
0	0	0	0	14,356	0	0
0	0	0	0	0	0	145,873
391,951	0	0	0	0	0	0
0	539,263	0	86,800	14,994	0	0
<u>391,951</u>	<u>539,263</u>	<u>2,699</u>	<u>86,800</u>	<u>141,947</u>	<u>21,264</u>	<u>145,873</u>
<u>(71,166)</u>	<u>(48,781)</u>	<u>9,853</u>	<u>2,186</u>	<u>(35,856)</u>	<u>112,677</u>	<u>(145,873)</u>
0	0	21,898	0	0	0	0
0	229,167	0	0	15,000	0	0
0	0	0	0	0	(44,145)	0
<u>0</u>	<u>229,167</u>	<u>21,898</u>	<u>0</u>	<u>15,000</u>	<u>(44,145)</u>	<u>0</u>
<u>(71,166)</u>	<u>180,386</u>	<u>31,751</u>	<u>2,186</u>	<u>(20,856)</u>	<u>68,532</u>	<u>(145,873)</u>
<u>182,269</u>	<u>675,124</u>	<u>14,484</u>	<u>199,624</u>	<u>116,286</u>	<u>297,028</u>	<u>(115,499)</u>
<u>\$111,103</u>	<u>\$855,510</u>	<u>\$46,235</u>	<u>\$201,810</u>	<u>\$95,430</u>	<u>\$365,560</u>	<u>(\$261,372)</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, 2015

	Indigent Interlock and Monitoring	Cemetery Donations	Bedford Municipal Court Legal Research	Refuse Fee	Total Nonmajor Special Revenue Funds
Revenues					
Charges for Services	\$0	\$0	\$0	\$0	\$100
Fines and Forfeitures	15,614	0	17,622	0	178,232
Intergovernmental	0	0	0	0	1,045,199
Special Assessments	0	0	0	168	320,249
Contributions and Donations	0	0	0	0	14,860
Interest	373	185	15	0	7,999
Other	0	52	0	0	54,682
<i>Total Revenues</i>	<u>15,987</u>	<u>237</u>	<u>17,637</u>	<u>168</u>	<u>1,621,321</u>
Expenditures					
Current:					
General Government	7,343	0	23,721	0	77,328
Security of Persons and Property:					
Police	0	0	0	0	390,672
Fire	0	0	0	0	2,250
Public Health and Welfare	0	0	0	0	48,039
Leisure Time Activities	0	0	0	0	14,356
Community Development	0	0	0	0	296,568
Basic Utility Services	0	0	0	0	391,951
Transportation	0	0	0	0	683,395
<i>Total Expenditures</i>	<u>7,343</u>	<u>0</u>	<u>23,721</u>	<u>0</u>	<u>1,904,559</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,644</u>	<u>237</u>	<u>(6,084)</u>	<u>168</u>	<u>(283,238)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	21,898
Transfers In	0	0	0	0	244,167
Transfers Out	0	0	0	0	(44,145)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>221,920</u>
<i>Net Change in Fund Balances</i>	8,644	237	(6,084)	168	(61,318)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>83,198</u>	<u>43,627</u>	<u>14,640</u>	<u>0</u>	<u>2,606,882</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$91,842</u>	<u>\$43,864</u>	<u>\$8,556</u>	<u>\$168</u>	<u>\$2,545,564</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$221,147	\$102,824	\$323,971
Special Assessments Receivable	0	2,000	2,000
<i>Total Assets</i>	<u>\$221,147</u>	<u>\$104,824</u>	<u>\$325,971</u>
Liabilities			
	\$0	\$0	\$0
Deferred Inflows of Resources			
Unavailable Revenue	0	2,000	2,000
Fund Balances			
Restricted	<u>221,147</u>	<u>102,824</u>	<u>323,971</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$221,147</u>	<u>\$104,824</u>	<u>\$325,971</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, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Municipal Income Taxes	\$835,265	\$0	\$835,265
Special Assessments	0	72,372	72,372
Interest	2,746	536	3,282
Other	361	0	361
<i>Total Revenues</i>	<u>838,372</u>	<u>72,908</u>	<u>911,280</u>
Expenditures			
Debt Service:			
Principal Retirement	891,246	60,000	951,246
Interest and Fiscal Charges	356,089	3,660	359,749
<i>Total Expenditures</i>	<u>1,247,335</u>	<u>63,660</u>	<u>1,310,995</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(408,963)	9,248	(399,715)
Other Financing Sources (Uses)			
Transfers In	407,955	0	407,955
<i>Net Change in Fund Balances</i>	(1,008)	9,248	8,240
<i>Fund Balances Beginning of Year</i>	<u>222,155</u>	<u>93,576</u>	<u>315,731</u>
<i>Fund Balances End of Year</i>	<u><u>\$221,147</u></u>	<u><u>\$102,824</u></u>	<u><u>\$323,971</u></u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$59,047	\$84,423	\$143,470
Liabilities			
Accounts Payable	\$0	\$6,450	\$6,450
Unearned Revenue	0	224,000	224,000
<i>Total Liabilities</i>	0	230,450	230,450
Fund Balances			
Restricted	59,047	0	59,047
Committed	0	20,150	20,150
Unassigned (Deficit)	0	(166,177)	(166,177)
<i>Total Fund Balances (Deficit)</i>	59,047	(146,027)	(86,980)
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$59,047	\$84,423	\$143,470

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015

	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues			
Fines and Forfeitures	\$54,027	\$0	\$54,027
Intergovernmental	36,050	0	36,050
Interest	205	1,363	1,568
Other	17,668	14,000	31,668
<i>Total Revenues</i>	107,950	15,363	123,313
Expenditures			
Capital Outlay	141,741	530,601	672,342
<i>Net Change in Fund Balances</i>	(33,791)	(515,238)	(549,029)
<i>Fund Balances Beginning of Year</i>	92,838	369,211	462,049
<i>Fund Balances (Deficit) End of Year</i>	\$59,047	(\$146,027)	(\$86,980)

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, villages and townships 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.

SEALE Unforfeited Fund - To account for confiscated monies received by the SEALE Drug Task Force and disbursed as directed by Cuyahoga County and the municipal court.

City of Bedford, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$196,016	\$5,658,283	\$5,666,704	\$187,595
Liabilities				
Deposits Held and Due to Others	\$196,016	\$5,658,283	\$5,666,704	\$187,595
<i>State Inspection Fee</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$88	\$894	\$870	\$112
Liabilities				
Deposits Held and Due to Others	\$88	\$894	\$870	\$112
<i>SEALE Unforfeited</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$170,740	\$25,538	\$49,020	\$147,258
Liabilities				
Deposits Held and Due to Others	\$170,740	\$25,538	\$49,020	\$147,258
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$170,828	\$26,432	\$49,890	\$147,370
Cash and Cash Equivalents In Segregated Accounts	196,016	5,658,283	5,666,704	187,595
Total Assets	\$366,844	\$5,684,715	\$5,716,594	\$334,965
Liabilities				
Deposits Held and Due to Others	\$366,844	\$5,684,715	\$5,716,594	\$334,965

**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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,015,560	\$2,015,560	\$1,903,702	(\$111,858)
Municipal Income Taxes	7,575,795	7,575,795	7,517,556	(58,239)
Charges for Services	606,470	607,745	606,507	(1,238)
Fees, Licenses and Permits	257,000	259,488	212,376	(47,112)
Fines and Forfeitures	1,673,500	1,673,500	1,578,751	(94,749)
Intergovernmental	1,157,885	1,158,206	1,312,765	154,559
Special Assessments	30,000	30,000	32,718	2,718
Interest	22,400	22,400	36,128	13,728
Rentals	97,750	97,750	108,498	10,748
Other	36,650	36,650	31,214	(5,436)
<i>Total Revenues</i>	<u>13,473,010</u>	<u>13,477,094</u>	<u>13,340,215</u>	<u>(136,879)</u>
Expenditures				
Current:				
General Government:				
Council and Clerk:				
Personal Services	288,305	288,305	288,154	151
Other	68,267	68,267	41,728	26,539
Total Council and Clerk	<u>356,572</u>	<u>356,572</u>	<u>329,882</u>	<u>26,690</u>
Finance Department:				
Personal Services	148,312	148,312	140,205	8,107
Capital Outlay	25,160	25,160	25,160	0
Other	353,635	374,320	344,518	29,802
Total Finance Department	<u>527,107</u>	<u>547,792</u>	<u>509,883</u>	<u>37,909</u>
Income Tax Department:				
Personal Services	224,461	224,461	222,406	2,055
Other	164,112	214,112	183,738	30,374
Total Income Tax Department	<u>388,573</u>	<u>438,573</u>	<u>406,144</u>	<u>32,429</u>
City Manager:				
Personal Services	315,828	319,448	307,452	11,996
Other	12,915	12,915	4,540	8,375
Total City Manager	<u>\$328,743</u>	<u>\$332,363</u>	<u>\$311,992</u>	<u>\$20,371</u>

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$112,310	\$112,310	\$109,530	\$2,780
Other	76,772	131,772	101,131	30,641
Total Law Department	189,082	244,082	210,661	33,421
Engineering:				
Personal Services	14,700	14,700	14,694	6
Other	26,000	26,000	10,295	15,705
Total Engineering	40,700	40,700	24,989	15,711
Municipal Court:				
Personal Services	1,981,785	1,981,785	1,898,777	83,008
Other	283,549	283,549	270,827	12,722
Total Municipal Court	2,265,334	2,265,334	2,169,604	95,730
Special Projects:				
Other	64,470	68,675	36,642	32,033
Civil Service Commission:				
Personal Services	3,060	3,060	1,321	1,739
Other	12,972	12,972	3,981	8,991
Total Civil Service Commission	16,032	16,032	5,302	10,730
Municipal Complex:				
Personal Services	173,984	173,984	157,169	16,815
Capital Outlay	247,475	272,475	212,420	60,055
Other	564,184	577,437	475,562	101,875
Total Municipal Complex	985,643	1,023,896	845,151	178,745
County Auditor Deductions:				
Other	121,000	121,000	87,667	33,333
Total General Government	\$5,283,256	\$5,455,019	\$4,937,917	\$517,102

(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$1,330,938	\$1,386,094	\$1,333,299	\$52,795
Capital Outlay	20,000	20,000	12,084	7,916
Other	909,000	853,844	679,055	174,789
Total Police	2,259,938	2,259,938	2,024,438	235,500
Fire:				
Fire Department:				
Personal Services	45,000	45,000	45,000	0
Capital Outlay	132,395	137,895	133,115	4,780
Other	3,311	3,811	3,711	100
Total Fire	180,706	186,706	181,826	4,880
Total Security of Persons and Property	2,440,644	2,446,644	2,206,264	240,380
Public Health and Welfare:				
Health Department:				
Other	51,250	51,250	51,250	0
Leisure Time Activities:				
Parks and Playground:				
Personal Services	12,076	13,076	12,475	601
Other	111,500	110,500	108,861	1,639
Total Leisure Time Activities	123,576	123,576	121,336	2,240
Community Development:				
Planning Commission Department:				
Personal Services	1,751	2,751	1,504	1,247
Other	1,700	1,700	1,690	10
Total Planning Commission Department	\$3,451	\$4,451	\$3,194	\$1,257

(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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Building Department:				
Personal Services	\$443,616	\$450,012	\$429,432	\$20,580
Other	32,747	32,747	21,922	10,825
Total Building Department	476,363	482,759	451,354	31,405
Total Community Development	479,814	487,210	454,548	32,662
Basic Utility Services:				
Refuse Collection:				
Other	720,000	720,000	704,208	15,792
Transportation:				
Service Department:				
Personal Services	1,572,171	1,617,171	1,606,482	10,689
Other	23,000	23,000	12,824	10,176
Total Transportation	1,595,171	1,640,171	1,619,306	20,865
<i>Total Expenditures</i>	<u>10,693,711</u>	<u>10,923,870</u>	<u>10,094,829</u>	<u>829,041</u>
<i>Excess of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>2,779,299</u>	<u>2,553,224</u>	<u>3,245,386</u>	<u>692,162</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	73,500	0	(73,500)
Advances In	0	79,110	79,110	0
Transfers Out	(5,519,505)	(5,628,705)	(5,425,362)	203,343
<i>Total Other Financing Sources (Uses)</i>	<u>(5,509,505)</u>	<u>(5,476,095)</u>	<u>(5,346,252)</u>	<u>129,843</u>
<i>Net Change in Fund Balance</i>	(2,730,206)	(2,922,871)	(2,100,866)	822,005
<i>Fund Balance Beginning of Year</i>	9,548,423	9,548,423	9,548,423	0
Prior Year Encumbrances Appropriated	170,474	170,474	170,474	0
<i>Fund Balance End of Year</i>	<u>\$6,988,691</u>	<u>\$6,796,026</u>	<u>\$7,618,031</u>	<u>\$822,005</u>

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,635,585	\$2,635,585	\$2,488,893	(\$146,692)
Fees, Licenses and Permits	50	50	28	(22)
Intergovernmental	1,008,851	1,008,851	435,828	(573,023)
Interest	1,065	1,065	2,005	940
Other	100	100	0	(100)
<i>Total Revenues</i>	<u>3,645,651</u>	<u>3,645,651</u>	<u>2,926,754</u>	<u>(718,897)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Police Pension:				
Personal Services	466,255	466,255	448,915	17,340
Safety Forces:				
Personal Services	<u>2,591,660</u>	<u>2,591,660</u>	<u>2,416,556</u>	<u>175,104</u>
Total Police	<u>3,057,915</u>	<u>3,057,915</u>	<u>2,865,471</u>	<u>192,444</u>
Fire:				
Fire Medic Levy:				
Personal Services	3,501,604	3,591,604	3,029,030	562,574
Other	<u>142,983</u>	<u>142,983</u>	<u>117,487</u>	<u>25,496</u>
Total Fire Medic Levy	3,644,587	3,734,587	3,146,517	588,070
Fire Pension:				
Personal Services	<u>537,355</u>	<u>547,355</u>	<u>545,881</u>	<u>1,474</u>
Total Fire	<u>4,181,942</u>	<u>4,281,942</u>	<u>3,692,398</u>	<u>589,544</u>
<i>Total Expenditures</i>	<u>7,239,857</u>	<u>7,339,857</u>	<u>6,557,869</u>	<u>781,988</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,594,206)	(3,694,206)	(3,631,115)	63,091
Other Financing Sources (Uses)				
Transfers In	<u>3,678,965</u>	<u>3,768,965</u>	<u>3,658,810</u>	<u>(110,155)</u>
<i>Net Change in Fund Balance</i>	84,759	74,759	27,695	(47,064)
<i>Fund Balance Beginning of Year</i>	491,947	491,947	491,947	0
Prior Year Encumbrances Appropriated	<u>4,723</u>	<u>4,723</u>	<u>4,723</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$581,429</u>	<u>\$571,429</u>	<u>\$524,365</u>	<u>(\$47,064)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$4,018,545	\$4,018,545	\$4,188,920	\$170,375
Other	15,000	15,000	34,481	19,481
Interest	32,200	32,200	34,120	1,920
<i>Total Revenues</i>	<u>4,065,745</u>	<u>4,065,745</u>	<u>4,257,521</u>	<u>191,776</u>
Expenses				
Personal Services	577,026	577,026	481,891	95,135
Contractual Services	2,934,519	2,939,519	2,248,142	691,377
Materials and Supplies	241,600	278,600	257,511	21,089
Capital Outlay	130,000	163,000	63,379	99,621
Other	3,000	3,000	1,005	1,995
Debt Service:				
Principal Retirement	228,300	228,300	228,300	0
Interest and Fiscal Charges	107,190	107,190	107,189	1
<i>Total Expenses</i>	<u>4,221,635</u>	<u>4,296,635</u>	<u>3,387,417</u>	<u>909,218</u>
<i>Net Change in Fund Equity</i>	(155,890)	(230,890)	870,104	1,100,994
<i>Fund Equity Beginning of Year</i>	4,926,800	4,926,800	4,926,800	0
Prior Year Encumbrances Appropriated	3,482	3,482	3,482	0
<i>Fund Equity End of Year</i>	<u>\$4,774,392</u>	<u>\$4,699,392</u>	<u>\$5,800,386</u>	<u>\$1,100,994</u>

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Wastewater Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,423,663	\$2,423,663	\$2,350,498	(\$73,165)
Other	1,000	1,000	396	(604)
Interest	25,822	25,822	24,176	(1,646)
<i>Total Revenues</i>	<u>2,450,485</u>	<u>2,450,485</u>	<u>2,375,070</u>	<u>(75,415)</u>
Expenses				
Personal Services	1,087,103	1,087,103	1,001,797	85,306
Contractual Services	91,319	92,319	64,625	27,694
Materials and Supplies	499,236	493,236	440,011	53,225
Capital Outlay	1,037,056	2,829,200	2,764,980	64,220
Other	3,000	3,000	2,320	680
Debt Service:				
Principal Retirement	396,586	396,586	396,586	0
Interest and Fiscal Charges	183,542	183,542	183,541	1
<i>Total Expenses</i>	<u>3,297,842</u>	<u>5,084,986</u>	<u>4,853,860</u>	<u>231,126</u>
<i>Net Change in Fund Equity</i>	(847,357)	(2,634,501)	(2,478,790)	155,711
<i>Fund Equity Beginning of Year</i>	3,005,199	3,005,199	3,005,199	0
Prior Year Encumbrances Appropriated	980,004	980,004	980,004	0
<i>Fund Equity End of Year</i>	<u>\$3,137,846</u>	<u>\$1,350,702</u>	<u>\$1,506,413</u>	<u>\$155,711</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Community Development:				
CDBG Department:				
Capital Outlay	46,113	46,113	36,553	9,560
Other	<u>37,100</u>	<u>37,100</u>	<u>37,100</u>	<u>0</u>
<i>Total Expenditures</i>	<u>83,213</u>	<u>83,213</u>	<u>73,653</u>	<u>9,560</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(83,213)	(83,213)	(73,653)	9,560
Other Financing Sources (Uses)				
Sale of Capital Assets	<u>88,000</u>	<u>88,000</u>	<u>88,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,787	4,787	14,347	9,560
<i>Fund Balance Beginning of Year</i>	<u>46,983</u>	<u>46,983</u>	<u>46,983</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$51,770</u>	<u>\$51,770</u>	<u>\$61,330</u>	<u>\$9,560</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$39,500	\$63,976	\$64,515	\$539
Interest	200	200	534	334
<i>Total Revenues</i>	39,700	64,176	65,049	873
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	47,176	47,176	47,176	0
<i>Net Change in Fund Balance</i>	(7,476)	17,000	17,873	873
<i>Fund Balance Beginning of Year</i>	126,364	126,364	126,364	0
Prior Year Encumbrances Appropriated	5,176	5,176	5,176	0
<i>Fund Balance End of Year</i>	<u>\$124,064</u>	<u>\$148,540</u>	<u>\$149,413</u>	<u>\$873</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$36,000	\$36,000	\$36,782	\$782
Interest	400	400	978	578
<i>Total Revenues</i>	36,400	36,400	37,760	1,360
Expenditures				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	60,000	60,000	47,790	12,210
<i>Net Change in Fund Balance</i>	(23,600)	(23,600)	(10,030)	13,570
<i>Fund Balance Beginning of Year</i>	240,694	240,694	240,694	0
<i>Fund Balance End of Year</i>	<u>\$217,094</u>	<u>\$217,094</u>	<u>\$230,664</u>	<u>\$13,570</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SEALE Narcotics Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$476,249	\$436,263	\$257,705	(\$178,558)
Other	14,355	54,341	54,630	289
<i>Total Revenues</i>	490,604	490,604	312,335	(178,269)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
SEALE Narcotics:				
Personal Services	412,423	372,437	241,233	131,204
Capital Outlay	118,518	158,503	36,226	122,277
Other	106,341	106,341	36,097	70,244
<i>Total Expenditures</i>	637,282	637,281	313,556	323,725
<i>Net Change in Fund Balance</i>	(146,678)	(146,677)	(1,221)	145,456
<i>Fund Balance Beginning of Year</i>	146,678	146,678	146,678	0
<i>Fund Balance End of Year</i>	\$0	\$1	\$145,457	\$145,456

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$850	\$850	\$585	(\$265)
Interest	<u>10</u>	<u>10</u>	<u>18</u>	<u>8</u>
<i>Total Revenues</i>	860	860	603	(257)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Enforcement and Education:				
Personal Services	<u>860</u>	<u>860</u>	<u>0</u>	<u>860</u>
<i>Net Change in Fund Balance</i>	0	0	603	603
<i>Fund Balance Beginning of Year</i>	<u>3,842</u>	<u>3,842</u>	<u>3,842</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,842</u></u>	<u><u>\$3,842</u></u>	<u><u>\$4,445</u></u>	<u><u>\$603</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$322,910	\$322,910	\$320,081	(\$2,829)
Interest	500	500	704	204
<i>Total Revenues</i>	323,410	323,410	320,785	(2,625)
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	347,000	365,000	362,499	2,501
<i>Net Change in Fund Balance</i>	(23,590)	(41,590)	(41,714)	(124)
<i>Fund Balance Beginning of Year</i>	182,269	182,269	182,269	0
<i>Fund Balance End of Year</i>	<u>\$158,679</u>	<u>\$140,679</u>	<u>\$140,555</u>	<u>(\$124)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$483,000	\$483,000	\$494,796	\$11,796
Interest	1,400	1,400	3,023	1,623
Other	100	100	0	(100)
<i>Total Revenues</i>	<u>484,500</u>	<u>484,500</u>	<u>497,819</u>	<u>13,319</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	217,368	217,368	208,368	9,000
Capital Outlay	139,000	139,000	134,312	4,688
Other	525,000	525,000	414,984	110,016
<i>Total Expenditures</i>	<u>881,368</u>	<u>881,368</u>	<u>757,664</u>	<u>123,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(396,868)</u>	<u>(396,868)</u>	<u>(259,845)</u>	<u>137,023</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,500	3,500	0	(3,500)
Transfers In	250,000	250,000	229,167	(20,833)
<i>Total Other Financing Sources (Uses)</i>	<u>253,500</u>	<u>253,500</u>	<u>229,167</u>	<u>(24,333)</u>
<i>Net Change in Fund Balance</i>	(143,368)	(143,368)	(30,678)	112,690
<i>Fund Balance Beginning of Year</i>	555,936	555,936	555,936	0
Prior Year Encumbrances Appropriated	50,213	50,213	50,213	0
<i>Fund Balance End of Year</i>	<u>\$462,781</u>	<u>\$462,781</u>	<u>\$575,471</u>	<u>\$112,690</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, 2015

	<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	\$0	\$12,458	\$12,458	\$0
Interest	<u>0</u>	<u>32</u>	<u>94</u>	<u>62</u>
<i>Total Revenues</i>	<u>0</u>	<u>12,490</u>	<u>12,552</u>	<u>62</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Capital Outlay	0	11,869	597	11,272
Other	<u>0</u>	<u>15,105</u>	<u>2,102</u>	<u>13,003</u>
<i>Total Expenditures</i>	<u>0</u>	<u>26,974</u>	<u>2,699</u>	<u>24,275</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(14,484)	9,853	24,337
Other Financing Sources (Uses)				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>21,898</u>	<u>21,898</u>
<i>Net Change in Fund Balance</i>	0	(14,484)	31,751	46,235
<i>Fund Balance Beginning of Year</i>	<u>14,484</u>	<u>14,484</u>	<u>14,484</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,484</u>	<u>\$0</u>	<u>\$46,235</u>	<u>\$46,235</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$86,000	\$86,000	\$87,557	\$1,557
Interest	200	200	672	472
<i>Total Revenues</i>	86,200	86,200	88,229	2,029
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	176,800	176,800	176,800	0
<i>Net Change in Fund Balance</i>	(90,600)	(90,600)	(88,571)	2,029
<i>Fund Balance Beginning of Year</i>	99,675	99,675	99,675	0
Prior Year Encumbrances Appropriated	86,800	86,800	86,800	0
<i>Fund Balance End of Year</i>	<u>\$95,875</u>	<u>\$95,875</u>	<u>\$97,904</u>	<u>\$2,029</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$100	\$100	\$100	\$0
Intergovernmental	108,335	108,335	95,520	(12,815)
Contributions and Donations	16,860	16,860	14,860	(2,000)
<i>Total Revenues</i>	<u>125,295</u>	<u>125,295</u>	<u>110,480</u>	<u>(14,815)</u>
Expenditures				
Current:				
General Government:				
NOPEC Energy Grant				
Capital Outlay	84,190	84,190	73,500	10,690
Security of Persons and Property:				
Police:				
High Visibility Enforcement:				
Personal Services	9,688	9,688	6,341	3,347
Other	60,804	60,804	40,583	20,221
Total High Visibility Enforcement	<u>70,492</u>	<u>70,492</u>	<u>46,924</u>	<u>23,568</u>
Community Diversion:				
Personal Services	4,800	4,800	4,800	0
Other	1,233	1,233	495	738
Total Community Diversion	<u>6,033</u>	<u>6,033</u>	<u>5,295</u>	<u>738</u>
Violence Against Women:				
Personal Services	31,740	31,740	31,740	0
Other	1,615	1,615	1,388	227
Total Violence Against Women	<u>\$33,355</u>	<u>\$33,355</u>	<u>\$33,128</u>	<u>\$227</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
DARE Enforcement:				
Personal Services	\$11,095	\$11,095	\$0	\$11,095
Other	99	99	0	99
Total DARE Enforcement	11,194	11,194	0	11,194
Total Police	121,074	121,074	85,347	35,727
Fire:				
Fire Department:				
Other	17,173	17,173	2,250	14,923
Total Security of Persons and Property	138,247	138,247	87,597	50,650
Leisure Time Activities:				
Soccer Donations				
Other	7,534	7,534	0	7,534
Food Bank - Recreation:				
Other	26,980	26,980	14,356	12,624
Total Leisure Time Activities	34,514	34,514	14,356	20,158
Transportation:				
Service Department Recycling Grant				
Capital Outlay	13,326	13,326	9,994	3,332
Other	5,642	5,642	5,000	642
Total Transportation	18,968	18,968	14,994	3,974
<i>Total Expenditures</i>	275,919	275,919	190,447	85,472
<i>Excess of Revenues Over (Under) Expenditures</i>	(150,624)	(150,624)	(79,967)	70,657
Other Financing Sources (Uses)				
Transfers In	15,000	15,000	15,000	0
<i>Net Change in Fund Balance</i>	(135,624)	(135,624)	(64,967)	70,657
<i>Fund Balance Beginning of Year</i>	105,441	105,441	105,441	0
Prior Year Encumbrances Appropriated	48,500	48,500	48,500	0
<i>Fund Balance End of Year</i>	\$18,317	\$18,317	\$88,974	\$70,657

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, 2015

	<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	\$180,000	\$180,000	\$131,493	(\$48,507)
Interest	1,000	1,000	1,403	403
<i>Total Revenues</i>	<u>181,000</u>	<u>181,000</u>	<u>132,896</u>	<u>(48,104)</u>
Expenditures				
Current:				
General Government:				
Municipal Court Special Programs:				
Capital Outlay	15,000	30,000	12,925	17,075
Other	35,000	20,000	8,339	11,661
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>21,264</u>	<u>28,736</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	131,000	131,000	111,632	(19,368)
Other Financing Sources (Uses)				
Transfers Out	(44,145)	(44,145)	(44,145)	0
<i>Net Change in Fund Balance</i>	86,855	86,855	67,487	(19,368)
<i>Fund Balance Beginning of Year</i>	<u>287,217</u>	<u>287,217</u>	<u>287,217</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$374,072</u>	<u>\$374,072</u>	<u>\$354,704</u>	<u>(\$19,368)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
HUD Housing Rehabilitation:				
Capital Outlay	<u>29,474</u>	<u>29,474</u>	<u>29,474</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(29,474)</u>	<u>(29,474)</u>	<u>(29,474)</u>	<u>0</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	88,500	88,500	88,500	0
Advances Out	<u>(79,110)</u>	<u>(79,110)</u>	<u>(79,110)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>9,390</u>	<u>9,390</u>	<u>9,390</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(20,084)	(20,084)	(20,084)	0
<i>Fund Balance Beginning of Year</i>	<u>20,084</u>	<u>20,084</u>	<u>20,084</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Interlock and Monitoring Fund
For the Year Ended December 31, 2015

	<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	\$22,000	\$22,000	\$16,889	(\$5,111)
Interest	125	125	373	248
<i>Total Revenues</i>	22,125	22,125	17,262	(4,863)
Expenditures				
Current:				
General Government:				
Indigent Interlock and Monitoring:				
Other	10,000	10,000	7,343	2,657
<i>Net Change in Fund Balance</i>	12,125	12,125	9,919	(2,206)
<i>Fund Balance Beginning of Year</i>	81,237	81,237	81,237	0
<i>Fund Balance End of Year</i>	<u>\$93,362</u>	<u>\$93,362</u>	<u>\$91,156</u>	<u>(\$2,206)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Donations Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$100	\$100	\$185	\$85
Other	100	100	52	(48)
<i>Total Revenues</i>	200	200	237	37
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Other	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(800)	(800)	237	1,037
<i>Fund Balance Beginning of Year</i>	43,627	43,627	43,627	0
<i>Fund Balance End of Year</i>	<u>\$42,827</u>	<u>\$42,827</u>	<u>\$43,864</u>	<u>\$1,037</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bedford Municipal Court Legal Research Fund
For the Year Ended December 31, 2015

	<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	\$20,000	\$20,000	\$17,461	(\$2,539)
Interest	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>
<i>Total Revenues</i>	20,000	20,000	17,476	(2,524)
Expenditures				
Current:				
General Government:				
Municipal Court Special Programs:				
Personal Services	<u>25,000</u>	<u>25,000</u>	<u>23,721</u>	<u>1,279</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(6,245)	(1,245)
<i>Fund Balance Beginning of Year</i>	<u>13,345</u>	<u>13,345</u>	<u>13,345</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,345</u></u>	<u><u>\$8,345</u></u>	<u><u>\$7,100</u></u>	<u><u>(\$1,245)</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Refuse Fee Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$0	\$0	\$168	\$168
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	168	168
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$168	\$168

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$6,000	\$6,000	\$5,988	(\$12)
Interest	100	100	107	7
<i>Total Revenues</i>	6,100	6,100	6,095	(5)
Expenditures				
Current:				
Community Development:				
Enterprise Zone:				
Other	93,840	181,286	178,658	2,628
<i>Excess of Revenues Over (Under) Expenditures</i>	(87,740)	(175,186)	(172,563)	2,623
Other Financing Sources (Uses)				
Transfers In	85,000	105,000	105,000	0
<i>Net Change in Fund Balance</i>	(2,740)	(70,186)	(67,563)	2,623
<i>Fund Balance Beginning of Year</i>	72,504	72,504	72,504	0
<i>Fund Balance End of Year</i>	\$69,764	\$2,318	\$4,941	\$2,623

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$40,000	\$40,000	\$35,870	(\$4,130)
Interest	200	200	382	182
Other	250	250	779	529
<i>Total Revenues</i>	<u>40,450</u>	<u>40,450</u>	<u>37,031</u>	<u>(3,419)</u>
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	104,367	104,367	92,443	11,924
Other	23,000	23,000	16,261	6,739
<i>Total Expenditures</i>	<u>127,367</u>	<u>127,367</u>	<u>108,704</u>	<u>18,663</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(86,917)	(86,917)	(71,673)	15,244
Other Financing Sources (Uses)				
Transfers In	77,670	77,670	77,670	0
<i>Net Change in Fund Balance</i>	(9,247)	(9,247)	5,997	15,244
<i>Fund Balance Beginning of Year</i>	90,365	90,365	90,365	0
Prior Year Encumbrances Appropriated	106	106	106	0
<i>Fund Balance End of Year</i>	<u>\$81,224</u>	<u>\$81,224</u>	<u>\$96,468</u>	<u>\$15,244</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$131,950	\$131,950	\$131,184	(\$766)
Interest	700	700	855	155
Other	200	200	0	(200)
<i>Total Revenues</i>	<u>132,850</u>	<u>132,850</u>	<u>132,039</u>	<u>(811)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	284,846	285,446	283,875	1,571
Other	138,800	138,200	130,042	8,158
Total Playgrounds	<u>423,646</u>	<u>423,646</u>	<u>413,917</u>	<u>9,729</u>
Swimming Pool:				
Personal Services	160,804	160,804	112,468	48,336
Other	52,250	52,250	50,320	1,930
Total Swimming Pool	<u>213,054</u>	<u>213,054</u>	<u>162,788</u>	<u>50,266</u>
Ellenwood Center:				
Personal Services	482,984	483,984	482,973	1,011
Capital Outlay	5,000	23,600	23,290	310
Other	122,435	109,835	93,847	15,988
Total Ellenwood Center	<u>610,419</u>	<u>617,419</u>	<u>600,110</u>	<u>17,309</u>
<i>Total Expenditures</i>	<u>1,247,119</u>	<u>1,254,119</u>	<u>1,176,815</u>	<u>77,304</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,114,269)</u>	<u>(1,121,269)</u>	<u>(1,044,776)</u>	<u>76,493</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	2,500	2,500	0	(2,500)
Transfers In	1,048,260	1,048,260	975,905	(72,355)
<i>Total Other Financing Sources (Uses)</i>	<u>1,050,760</u>	<u>1,050,760</u>	<u>975,905</u>	<u>(74,855)</u>
<i>Net Change in Fund Balance</i>	(63,509)	(70,509)	(68,871)	1,638
<i>Fund Balance Beginning of Year</i>	153,950	153,950	153,950	0
Prior Year Encumbrances Appropriated	16,814	16,814	16,814	0
<i>Fund Balance End of Year</i>	<u>\$107,255</u>	<u>\$100,255</u>	<u>\$101,893</u>	<u>\$1,638</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$841,755	\$841,755	\$835,265	(\$6,490)
Intergovernmental	14,590	14,590	6,795	(7,795)
Interest	1,200	1,200	2,746	1,546
Other	0	0	361	361
<i>Total Revenues</i>	<u>857,545</u>	<u>857,545</u>	<u>845,167</u>	<u>(12,378)</u>
Expenditures				
Debt Service:				
Principal Retirement	891,247	891,247	891,246	1
Interest and Fiscal Charges	356,089	356,089	356,089	0
<i>Total Expenditures</i>	<u>1,247,336</u>	<u>1,247,336</u>	<u>1,247,335</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(389,791)	(389,791)	(402,168)	(12,377)
Other Financing Sources (Uses)				
Transfers In	407,955	407,955	407,955	0
<i>Net Change in Fund Balance</i>	18,164	18,164	5,787	(12,377)
<i>Fund Balance Beginning of Year</i>	<u>215,360</u>	<u>215,360</u>	<u>215,360</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$233,524</u>	<u>\$233,524</u>	<u>\$221,147</u>	<u>(\$12,377)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$63,660	\$63,660	\$72,372	\$8,712
Interest	150	150	536	386
<i>Total Revenues</i>	<u>63,810</u>	<u>63,810</u>	<u>72,908</u>	<u>9,098</u>
Expenditures				
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest and Fiscal Charges	3,660	3,660	3,660	0
<i>Total Expenditures</i>	<u>63,660</u>	<u>63,660</u>	<u>63,660</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	150	150	9,248	9,098
<i>Fund Balance Beginning of Year</i>	<u>93,576</u>	<u>93,576</u>	<u>93,576</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$93,726</u></u>	<u><u>\$93,726</u></u>	<u><u>\$102,824</u></u>	<u><u>\$9,098</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2015

	<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	\$57,350	\$57,350	\$53,384	(\$3,966)
Intergovernmental	36,050	36,050	36,050	0
Interest	300	300	205	(95)
Other	20,000	20,000	17,668	(2,332)
<i>Total Revenues</i>	<u>113,700</u>	<u>113,700</u>	<u>107,307</u>	<u>(6,393)</u>
Expenditures				
Capital Outlay:				
Municipal Court Computer:				
Capital Outlay	48,850	48,850	47,779	1,071
Other	82,400	105,870	93,962	11,908
<i>Total Expenditures</i>	<u>131,250</u>	<u>154,720</u>	<u>141,741</u>	<u>12,979</u>
<i>Net Change in Fund Balance</i>	(17,550)	(41,020)	(34,434)	6,586
<i>Fund Balance Beginning of Year</i>	<u>87,536</u>	<u>87,536</u>	<u>87,536</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$69,986</u>	<u>\$46,516</u>	<u>\$53,102</u>	<u>\$6,586</u>

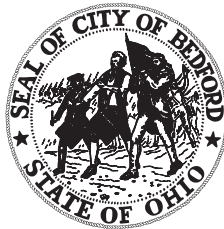
City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$1,500	\$1,500	\$1,363	(\$137)
Expenditures				
Capital Outlay	361,593	570,827	552,017	18,810
<i>Net Change in Fund Balance</i>	(360,093)	(569,327)	(550,654)	18,673
<i>Fund Balance Beginning of Year</i>	588,607	588,607	588,607	0
Prior Year Encumbrances Appropriated	21,253	21,253	21,253	0
<i>Fund Balance End of Year</i>	<u>\$249,767</u>	<u>\$40,533</u>	<u>\$59,206</u>	<u>\$18,673</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,663,245	\$2,863,245	\$2,620,004	(\$243,241)
Interest	500	500	1,259	759
Other	26,760	26,760	0	(26,760)
<i>Total Revenues</i>	2,690,505	2,890,505	2,621,263	(269,242)
Expenses				
Contractual Services	378,000	378,000	373,014	4,986
Claims	2,317,505	2,567,505	2,354,008	213,497
<i>Total Expenses</i>	2,695,505	2,945,505	2,727,022	218,483
<i>Net Change in Fund Equity</i>	(5,000)	(55,000)	(105,759)	(50,759)
<i>Fund Equity Beginning of Year</i>	346,826	346,826	346,826	0
<i>Fund Equity End of Year</i>	\$341,826	\$291,826	\$241,067	(\$50,759)

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S TATISTICAL

S ECTION





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.

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

	2015	2014	2013	2012
Governmental Activities				
Net Investment in Capital Assets	\$16,991,691	\$17,339,750	\$18,337,265	\$19,668,123
Restricted:				
Capital Projects	59,047	92,838	119,889	147,188
Debt Service	370,245	469,155	449,033	509,480
Municipal Courts	374,116	311,668	254,776	830,873
Fire	0	0	0	0
Streets	1,395,266	1,186,093	1,215,660	1,115,228
Community Development	421,106	571,801	715,120	737,303
Street Lighting	430,658	505,179	504,173	550,136
Drug Force Violations	171,906	140,459	162,132	331,639
Refuse Collections	783,552	0	0	0
Other Purposes	515,596	507,906	512,440	393,617
Unrestricted (Deficit)	<u>(6,860,164)</u>	<u>(3,460,721)</u>	<u>12,257,378</u>	<u>11,095,401</u>
<i>Total Governmental Activities Net Position</i>	<u>14,653,019</u>	<u>17,664,128</u>	<u>34,527,866</u>	<u>35,378,988</u>
Business Type - Activities				
Net Investment in Capital Assets	7,428,993	6,470,775	5,177,762	7,732,350
Unrestricted	<u>9,451,246</u>	<u>8,721,191</u>	<u>10,379,492</u>	<u>6,215,323</u>
<i>Total Business-Type Activities Net Position</i>	<u>16,880,239</u>	<u>15,191,966</u>	<u>15,557,254</u>	<u>13,947,673</u>
Primary Government				
Net Investment in Capital Assets	24,420,684	23,810,525	23,515,027	27,400,473
Restricted	4,521,492	3,785,099	3,933,223	4,615,464
Unrestricted	<u>2,591,082</u>	<u>5,260,470</u>	<u>22,636,870</u>	<u>17,310,724</u>
<i>Total Primary Government Net Position</i>	<u>\$31,533,258</u>	<u>\$32,856,094</u>	<u>\$50,085,120</u>	<u>\$49,326,661</u>

Note - The effects of the implementation of GASB 68 are reflected in the 2015 and 2014 amounts.

2011	2010	2009	2008	2007	2006
\$20,968,797	\$22,729,591	\$24,376,061	\$25,879,539	\$27,216,162	\$27,242,739
241,731	0	410,909	952,794	974,982	1,171,756
513,704	533,106	624,790	933,485	1,181,876	1,321,616
774,291	746,043	714,104	698,237	0	0
0	0	0	161,449	134,774	522,030
1,227,043	1,125,705	1,098,471	1,441,636	1,493,516	1,162,070
627,065	535,619	201,776	366,176	0	0
555,255	585,951	647,086	621,919	0	0
409,517	192,207	0	0	0	0
0	0	0	0	0	0
301,073	428,972	459,359	720,655	2,524,936	1,746,159
12,312,481	10,878,025	9,786,893	10,695,092	11,350,256	11,720,851
37,930,957	37,755,219	38,319,449	42,470,982	44,876,502	44,887,221
5,917,802	4,122,051	5,780,208	5,058,014	4,527,360	3,285,261
5,976,224	6,382,757	4,343,937	4,420,694	3,766,979	4,145,274
11,894,026	10,504,808	10,124,145	9,478,708	8,294,339	7,430,535
26,886,599	26,851,642	30,156,269	30,937,553	31,743,522	30,528,000
4,649,679	4,147,603	4,156,495	5,896,351	6,310,084	5,923,631
18,288,705	17,260,782	14,130,830	15,115,786	15,117,235	15,866,125
\$49,824,983	\$48,260,027	\$48,443,594	\$51,949,690	\$53,170,841	\$52,317,756

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

	2015	2014	2013	2012
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$2,005,099	\$1,991,734	\$2,022,787	\$2,082,652
Security of Persons and Property:				
Police	75,978	63,182	80,900	64,368
Fire	427,422	421,128	442,342	429,512
Public Health and Welfare	12,823	16,260	16,179	14,211
Leisure Time Activities	138,904	155,147	128,060	128,611
Community Development	315,862	319,742	342,753	329,643
Basic Utility Services	1,100,278	322,754	286,690	310,771
Subtotal - Charges for Services	<u>4,076,366</u>	<u>3,289,947</u>	<u>3,319,711</u>	<u>3,359,768</u>
Operating Grants and Contributions:				
General Government	693,783	532,841	567,338	445,252
Security of Persons and Property:				
Police	528,757	527,943	611,749	565,729
Fire	231,128	272,107	258,393	355,615
Public Health and Welfare	34,457	51,589	19,968	88,825
Leisure Time Activities	10,720	9,114	19,950	13,128
Community Development	0	13,300	109,365	212,341
Basic Utility Services	0	0	0	0
Transportation	655,509	605,421	658,948	625,168
Subtotal - Operating Grants and Contributions	<u>2,154,354</u>	<u>2,012,315</u>	<u>2,245,711</u>	<u>2,306,058</u>
Capital Grants and Contributions:				
Transportation	0	0	0	5,000
<i>Total Governmental Activities Program Revenues</i>	<u>6,230,720</u>	<u>5,302,262</u>	<u>5,565,422</u>	<u>5,670,826</u>
Business-Type Activities:				
Charges for Services:				
Water	4,188,578	4,332,748	4,800,197	4,532,355
Wastewater	2,359,234	2,295,773	2,467,029	2,386,595
Operating Grants and Contributions				
Water	0	10,219	0	0
Wastewater	0	8,258	0	0
Capital Grants and Contributions				
Water	0	0	0	0
Wastewater	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>6,547,812</u>	<u>6,646,998</u>	<u>7,267,226</u>	<u>6,918,950</u>
<i>Total Primary Government Program Revenues</i>	<u>\$12,778,532</u>	<u>\$11,949,260</u>	<u>\$12,832,648</u>	<u>\$12,589,776</u>

2011	2010	2009	2008	2007	2006
\$2,083,696	\$1,858,638	\$1,934,236	\$2,226,427	\$2,205,689	\$1,797,782
64,974	60,445	65,680	32,779	53,907	57,998
434,885	380,753	397,435	311,809	257,282	160,839
14,892	42,651	45,060	39,230	40,510	43,580
153,829	119,801	126,569	112,805	96,845	87,771
334,687	272,543	284,584	339,374	278,011	151,920
289,719	292,043	334,195	323,511	291,969	292,023
<u>3,376,682</u>	<u>3,026,874</u>	<u>3,187,759</u>	<u>3,385,935</u>	<u>3,224,213</u>	<u>2,591,913</u>
585,887	475,317	501,895	441,910	427,621	0
430,038	891,928	478,920	362,903	362,556	283,602
397,242	423,286	221,427	409,838	25,100	8,413
25,779	34,725	23,293	13,399	14,102	10,680
4,325	14,635	7,500	0	0	12,370
133,616	853,331	113,029	101,163	114,687	167,843
0	5,898	0	0	0	274
594,471	618,478	620,287	668,247	661,345	667,025
<u>2,171,358</u>	<u>3,317,598</u>	<u>1,966,351</u>	<u>1,997,460</u>	<u>1,605,411</u>	<u>1,150,207</u>
97,583	24,856	392	227,431	307,611	431,974
<u>5,645,623</u>	<u>6,369,328</u>	<u>5,154,502</u>	<u>5,610,826</u>	<u>5,137,235</u>	<u>4,174,094</u>
4,417,995	4,354,170	4,020,958	3,729,987	3,521,515	3,237,446
2,233,413	2,196,959	2,116,968	2,091,081	2,058,390	1,943,800
0	0	0	0	0	0
0	0	0	0	0	0
428,182	0	0	0	331,940	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>7,766</u>	<u>222,469</u>	<u>32,508</u>
<u>7,079,590</u>	<u>6,551,129</u>	<u>6,137,926</u>	<u>5,828,834</u>	<u>6,134,314</u>	<u>5,213,754</u>
<u>\$12,725,213</u>	<u>\$12,920,457</u>	<u>\$11,292,428</u>	<u>\$11,439,660</u>	<u>\$11,271,549</u>	<u>\$9,387,848</u>

(continued)

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

	2015	2014	2013	2012
Expenses				
Governmental Activities:				
General Government	\$4,903,243	\$5,075,154	\$4,922,271	\$5,451,587
Security of Persons and Property:				
Police	5,453,464	5,453,595	5,560,147	5,660,332
Fire	4,305,885	4,091,826	3,976,171	4,106,403
Public Health and Welfare	207,634	192,212	176,774	180,994
Leisure Time Activities	1,353,647	1,348,774	1,316,269	1,343,654
Community Development	954,588	867,243	753,096	746,201
Basic Utility Services	1,037,997	1,035,156	1,036,719	1,015,825
Transportation	4,282,467	3,700,311	4,343,828	4,363,978
Interest and Fiscal Charges	378,656	425,081	379,698	735,190
<i>Total Governmental Activities Expenses</i>	<u>22,877,581</u>	<u>22,189,352</u>	<u>22,464,973</u>	<u>23,604,164</u>
Business-Type Activities				
Water	3,131,099	3,785,358	3,853,350	3,234,955
Wastewater	1,832,603	2,340,584	2,175,580	2,040,179
<i>Total Business-Type Activities Expenses</i>	<u>4,963,702</u>	<u>6,125,942</u>	<u>6,028,930</u>	<u>5,275,134</u>
<i>Total Primary Government Program Expenses</i>	<u>27,841,283</u>	<u>28,315,294</u>	<u>28,493,903</u>	<u>28,879,298</u>
Net (Expense)/Revenue				
Governmental Activities	(16,646,861)	(16,887,090)	(16,899,551)	(17,933,338)
Business-Type Activities	1,584,110	521,056	1,238,296	1,643,816
<i>Total Primary Government Net Expense</i>	<u>(\$15,062,751)</u>	<u>(\$16,366,034)</u>	<u>(\$15,661,255)</u>	<u>(\$16,289,522)</u>

2011	2010	2009	2008	2007	2006
\$5,091,308	\$4,908,785	\$4,928,374	\$5,323,310	\$5,106,413	\$4,871,530
5,290,725	5,247,617	5,359,101	5,446,671	5,452,247	4,847,966
3,779,111	3,755,520	3,598,515	4,097,079	3,620,839	3,338,007
194,643	177,865	166,753	221,252	193,518	164,391
1,324,108	1,391,675	1,386,520	1,503,009	1,609,539	1,615,332
843,855	949,599	912,620	729,553	633,811	1,042,659
1,010,797	1,054,778	1,046,474	1,027,983	888,600	850,077
4,303,602	4,685,770	4,447,747	4,786,782	4,221,135	4,727,888
560,422	509,591	566,322	592,927	615,603	469,373
<u>22,398,571</u>	<u>22,681,200</u>	<u>22,412,426</u>	<u>23,728,566</u>	<u>22,341,705</u>	<u>21,927,223</u>
4,131,949	4,515,808	3,854,565	3,231,458	3,472,856	3,155,757
1,958,932	2,051,038	2,024,262	1,880,937	2,347,908	2,326,613
<u>6,090,881</u>	<u>6,566,846</u>	<u>5,878,827</u>	<u>5,112,395</u>	<u>5,820,764</u>	<u>5,482,370</u>
<u>28,489,452</u>	<u>29,248,046</u>	<u>28,291,253</u>	<u>28,840,961</u>	<u>28,162,469</u>	<u>27,409,593</u>
(16,752,948)	(16,311,872)	(17,257,924)	(18,117,740)	(17,204,470)	(17,753,129)
988,709	(15,717)	259,099	716,439	313,550	(268,616)
<u>(\$15,764,239)</u>	<u>(\$16,327,589)</u>	<u>(\$16,998,825)</u>	<u>(\$17,401,301)</u>	<u>(\$16,890,920)</u>	<u>(\$18,021,745)</u>

(continued)

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

	2015	2014	2013	2012
General Revenues and Other				
Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Taxes Levied For:				
General Purposes	\$1,892,764	\$1,925,157	\$1,831,056	\$1,898,877
Debt Service	0	0	201,493	225,894
Public Safety	2,474,584	2,507,739	2,657,842	2,778,562
Municipal Income Taxes levied for:				
General Purposes	7,552,029	9,379,819	9,668,374	8,904,771
Debt Service	835,265	1,069,643	710,925	720,216
Grants and Entitlements not Restricted to				
Specific Programs	638,689	777,765	675,467	632,800
Investment Income	56,884	42,732	26,397	20,824
Gain on Sale of Capital Assets	21,898	644	5,645	32,484
Miscellaneous	163,639	267,595	271,230	166,941
<i>Total Governmental Activities</i>	<u>13,635,752</u>	<u>15,971,094</u>	<u>16,048,429</u>	<u>15,381,369</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Wastewater	0	17	304,759	309,255
Investment Income	69,286	48,047	49,334	67,547
Gain on Sale of Capital Assets	0	0	1,074	0
Miscellaneous	34,877	36,285	16,118	33,029
<i>Total Business-Type Activities</i>	<u>104,163</u>	<u>84,349</u>	<u>371,285</u>	<u>409,831</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>13,739,915</u>	<u>16,055,443</u>	<u>16,419,714</u>	<u>15,791,200</u>
Change in Net Position				
Governmental Activities	(3,011,109)	(915,996)	(851,122)	(2,551,969)
Business-Type Activities	1,688,273	605,405	1,609,581	2,053,647
<i>Total Primary Government Change in Net Position</i>	<u>(\$1,322,836)</u>	<u>(\$310,591)</u>	<u>\$758,459</u>	<u>(\$498,322)</u>

2011	2010	2009	2008	2007	2006
\$2,263,682	\$2,306,766	\$2,340,611	\$2,436,161	\$2,648,487	\$2,435,575
32,714	0	0	0	0	0
3,003,234	3,016,795	943,569	880,740	957,466	880,516
9,277,242	8,145,582	7,616,052	9,098,927	9,852,161	10,834,317
680,703	657,234	626,789	680,711	769,619	870,902
1,131,551	1,406,412	950,510	1,852,030	1,735,202	1,940,740
108,763	37,698	172,163	411,024	750,070	648,078
17,041	4,957	145,395	114,650	38,742	27,503
413,756	172,198	311,302	237,977	442,004	301,092
16,928,686	15,747,642	13,106,391	15,712,220	17,193,751	17,938,723
291,679	276,601	250,344	291,734	329,833	373,551
81,581	31,346	90,936	145,854	189,673	140,178
0	21,696	0	0	0	3,903
27,249	66,737	45,058	30,342	30,748	3,408
400,509	396,380	386,338	467,930	550,254	521,040
17,329,195	16,144,022	13,492,729	16,180,150	17,744,005	18,459,763
175,738	(564,230)	(4,151,533)	(2,405,520)	(10,719)	185,594
1,389,218	380,663	645,437	1,184,369	863,804	252,424
\$1,564,956	(\$183,567)	(\$3,506,096)	(\$1,221,151)	\$853,085	\$438,018

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

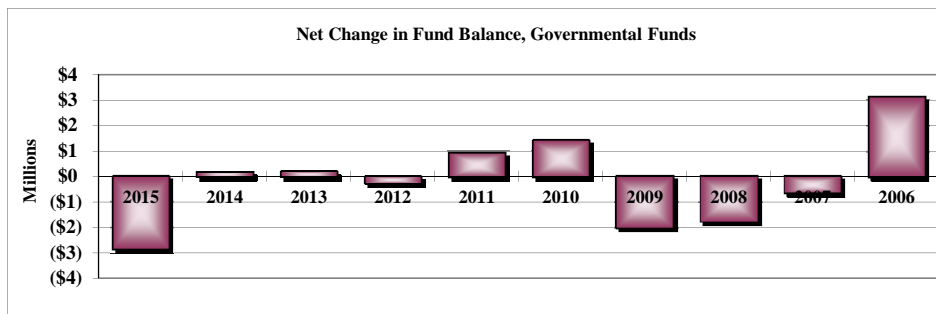
	2015	2014	2013	2012
General Fund				
Nonspendable	\$217,793	\$274,070	\$219,643	\$180,077
Committed	80,219	74,017	198,997	24,374
Assigned	1,122,196	384,937	306,154	74,306
Unassigned	7,648,848	10,580,613	10,194,477	10,193,528
Reserved	0	0	0	0
Unreserved	0	0	0	0
<i>Total General Fund</i>	<u>9,069,056</u>	<u>11,313,637</u>	<u>10,919,271</u>	<u>10,472,285</u>
All Other Governmental Funds				
Nonspendable	4,970	0	7,623	7,623
Restricted	3,358,301	3,294,744	3,390,016	3,834,556
Committed	20,150	1,000	15,091	79,064
Assigned	0	368,211	411,139	96,367
Unassigned (Deficit)	(427,549)	(115,499)	(74,710)	(23,847)
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>2,955,872</u>	<u>3,548,456</u>	<u>3,749,159</u>	<u>3,993,763</u>
<i>Total Governmental Funds</i>	<u><u>\$12,024,928</u></u>	<u><u>\$14,862,093</u></u>	<u><u>\$14,668,430</u></u>	<u><u>\$14,466,048</u></u>

Note: The City implemented GASB 54 in 2009 resulting in a restatement to the 2008 balances.

2011	2010	2009	2008	2007	2006
\$201,231	\$140,994	\$166,953	\$205,924	\$0	\$0
16,033	12,216	517	0	0	0
61,663	45,607	66,615	614,578	0	0
10,019,811	8,974,991	8,431,130	9,627,764	0	0
0	0	0	0	78,845	123,858
0	0	0	0	10,313,325	10,708,438
10,298,738	9,173,808	8,665,215	10,448,266	10,392,170	10,832,296
7,583	98,803	127,351	49,844	0	0
3,979,152	3,729,801	3,268,902	3,434,707	0	0
311,465	80,540	6,158	0	0	0
145,418	690,032	297,817	437,035	0	0
(22,443)	0	0	0	0	0
0	0	0	0	836,062	1,713,841
0	0	0	0	3,398,068	2,536,991
0	0	0	0	443,234	536,692
0	0	0	0	823,158	915,568
4,421,175	4,599,176	3,700,228	3,921,586	5,500,522	5,703,092
\$14,719,913	\$13,772,984	\$12,365,443	\$14,369,852	\$15,892,692	\$16,535,388

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

	2015	2014	2013	2012
Revenues				
Property Taxes	\$4,392,595	\$4,405,478	\$4,723,597	\$5,079,292
Municipal Income Taxes	8,386,622	10,577,142	9,905,568	9,928,119
Charges for Services	774,248	809,192	795,226	646,510
Fees, Licenses and Permits	231,680	206,441	243,858	210,796
Fines and Forfeitures	1,807,734	1,846,563	1,909,110	1,948,751
Intergovernmental	2,765,672	2,819,122	3,007,667	3,051,857
Special Assessments	425,339	402,243	392,386	427,208
Contributions and Donations	14,860	1,430	60,297	14,708
Interest	55,625	41,413	26,012	19,645
Rentals	108,498	94,528	98,701	242,940
Other	163,639	225,746	236,534	139,610
<i>Total Revenues</i>	<u>19,126,512</u>	<u>21,429,298</u>	<u>21,398,956</u>	<u>21,709,436</u>
Expenditures				
Current:				
General Government	5,118,077	4,723,290	4,651,606	5,033,052
Security of Persons and Property:				
Police	5,293,746	5,324,905	5,452,264	5,471,831
Fire	3,865,897	4,147,726	3,807,815	3,897,559
Public Health and Welfare	206,858	191,430	177,384	179,563
Leisure Time Activities	1,283,579	1,267,915	1,206,358	1,265,328
Community Development	945,958	882,144	880,795	852,251
Basic Utilities Services	1,037,379	1,040,927	1,036,719	1,015,825
Transportation	2,296,232	2,099,274	2,325,768	2,425,410
Capital Outlay	672,342	202,915	1,401,483	473,374
Debt Service:				
Principal Retirement	969,929	946,462	845,150	899,520
Interest and Fiscal Charges	366,788	410,107	383,517	482,024
Bond Issuance Costs	0	29,459	67,270	0
<i>Total Expenditures</i>	<u>22,056,785</u>	<u>21,266,554</u>	<u>22,236,129</u>	<u>21,995,737</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,930,273)</u>	<u>162,744</u>	<u>(837,173)</u>	<u>(286,301)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	21,898	6,820	5,645	32,896
OPWC Loans Issued	0	0	0	0
General Obligation Bonds Issued	0	835,000	2,314,300	0
Premium on Bonds Issued	0	39,099	66,577	0
Discount on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	(850,000)	(1,346,967)	0
Inception of Capital Lease	71,210	0	0	39,540
Transfers In	4,310,932	4,104,476	4,677,313	3,870,767
Transfers Out	(4,310,932)	(4,104,476)	(4,677,313)	(3,910,767)
<i>Total Other Financing Sources (Uses)</i>	<u>93,108</u>	<u>30,919</u>	<u>1,039,555</u>	<u>32,436</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,837,165)</u>	<u>\$193,663</u>	<u>\$202,382</u>	<u>(\$253,865)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.3%	6.5%	5.9%	6.5%



2011	2010	2009	2008	2007	2006
\$5,136,936	\$5,174,321	\$3,311,558	\$3,314,450	\$3,570,124	\$3,333,834
9,671,215	8,819,439	8,528,730	9,401,167	10,648,355	11,769,832
1,024,848	748,132	1,029,766	774,816	699,046	592,280
248,260	211,116	162,453	207,702	292,484	186,128
1,761,228	1,695,770	1,746,097	1,917,688	1,768,546	1,512,922
3,417,329	4,455,400	2,908,431	3,954,097	3,535,460	3,556,398
387,548	416,092	425,542	449,480	498,755	399,087
48,317	83,320	40,855	0	45,100	0
106,187	33,409	158,561	386,021	723,195	634,911
24,632	24,090	15,480	14,290	20,010	8,563
389,241	146,708	348,026	237,977	442,004	301,092
<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>	<u>22,295,047</u>
4,638,074	4,432,001	4,652,214	4,833,025	4,619,198	4,533,556
5,303,242	5,081,196	5,265,227	5,296,548	5,347,238	4,820,692
3,643,979	3,637,500	3,421,428	3,967,593	3,833,850	3,241,431
193,914	175,806	161,799	210,749	189,816	165,494
1,316,961	1,686,229	1,313,051	1,408,141	1,459,829	1,572,900
859,349	1,255,407	911,782	1,728,246	1,034,540	1,043,168
1,010,797	1,054,778	1,046,474	1,025,646	879,667	839,357
2,390,859	2,200,388	2,362,348	2,674,815	2,524,594	2,282,383
1,230,803	1,841,744	534,808	474,873	1,865,496	1,008,659
722,062	690,481	665,084	652,402	599,739	519,787
526,162	466,198	493,363	519,709	572,980	401,043
0	55,200	0	0	0	185,268
<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>	<u>20,613,738</u>
<u>379,539</u>	<u>(769,131)</u>	<u>(2,152,079)</u>	<u>(2,134,059)</u>	<u>(683,868)</u>	<u>1,681,309</u>
49,041	4,387	147,670	336,433	41,172	29,703
518,349	0	0	0	0	0
0	2,145,000	0	0	0	8,929,000
0	23,710	0	0	0	60,111
0	0	0	0	0	(54,376)
0	0	0	0	0	(7,501,400)
0	3,575	0	40,845	0	0
4,018,869	3,858,052	3,554,148	4,701,390	5,874,801	4,847,314
<u>(4,018,869)</u>	<u>(3,858,052)</u>	<u>(3,554,148)</u>	<u>(4,701,390)</u>	<u>(5,874,801)</u>	<u>(4,847,314)</u>
<u>567,390</u>	<u>2,176,672</u>	<u>147,670</u>	<u>377,278</u>	<u>41,172</u>	<u>1,463,038</u>
<u>\$946,929</u>	<u>\$1,407,541</u>	<u>(\$2,004,409)</u>	<u>(\$1,756,781)</u>	<u>(\$642,696)</u>	<u>\$3,144,347</u>
6.1%	5.9%	5.8%	5.5%	5.8%	5.7%

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
2015	\$127,486,620	\$100,406,370	\$651,122,829	\$9,271,900	\$10,536,250
2014	127,867,150	99,086,210	648,438,171	8,776,990	9,973,852
2013	128,477,170	101,592,750	657,342,629	8,103,300	9,208,295
2012	150,782,510	110,000,870	745,095,371	7,358,540	8,361,977
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

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

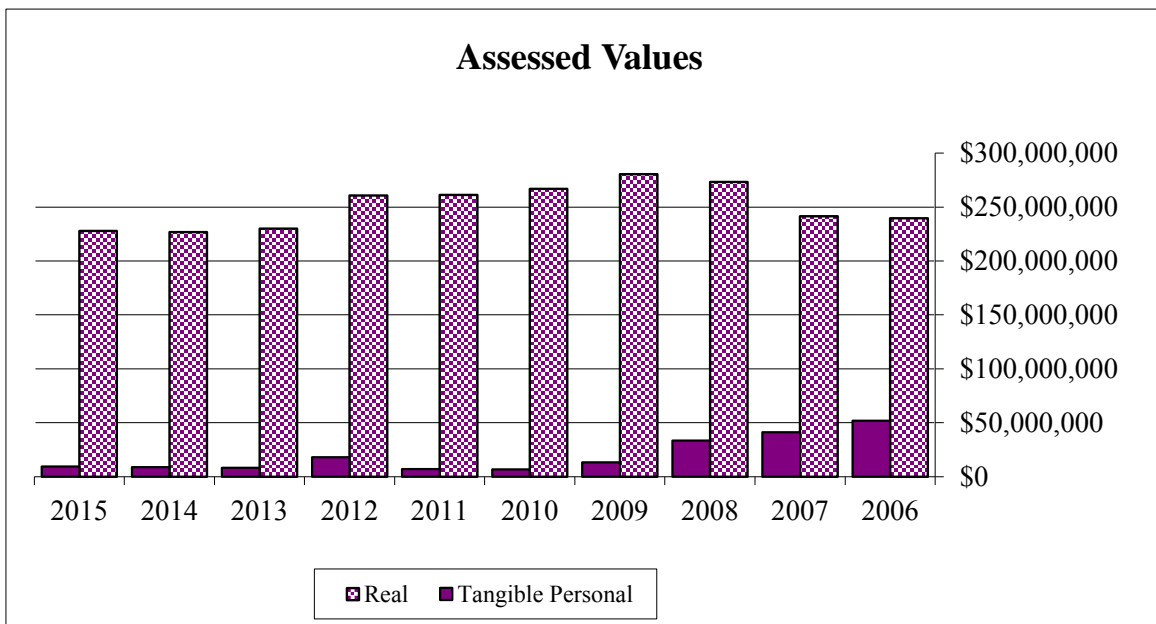
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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	\$237,164,890	\$661,659,079	35.84%	\$21.70
0	0	235,730,350	658,412,024	35.80	21.70
0	0	238,173,220	666,550,924	35.73	21.70
0	0	268,141,920	753,457,349	35.59	21.70
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



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

	2015	2014	2013	2012	2011
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	8.9000	8.9000	8.9000
<i>Total Voted Millage</i>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>
Total Millage	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$21.7000</u>
Overlapping Rates by Taxing District					
Bedford City School District					
Residential/Agricultural Real	\$45.1652	\$44.7465	\$39.7646	\$40.1211	\$37.5823
Commercial/Industrial and Public Utility Real	56.4607	54.2631	49.0798	49.2110	47.2052
General Business and Public Utility Personal	75.7200	75.7200	70.8200	71.3000	71.3000
Cuyahoga County					
Residential/Agricultural Real	13.8698	14.0500	14.0500	13.2200	13.1182
Commercial/Industrial and Public Utility Real	14.0500	14.0195	13.9495	12.9968	12.7845
General Business and Public Utility Personal	14.0500	14.0500	14.0500	13.2200	13.2200
Special Taxing Districts (1)					
Residential/Agricultural Real	9.2368	9.3643	8.4639	7.5635	7.5041
Commercial/Industrial and Public Utility Real	9.3676	9.3401	8.3843	7.4621	7.3648
General Business and Public Utility Personal	9.3800	9.3800	8.4800	7.5800	7.5800

Source: Cuyahoga County Fiscal Officer

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

2010	2009	2008	2007	2006
\$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
8.9000	0.0000	0.0000	0.0000	0.0000
17.8200	8.9200	8.9200	8.9200	8.9200
\$21.7000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$38.6990	\$38.6966	\$30.9967	\$31.0146	\$31.0133
48.2579	48.1831	14.8100	42.9154	43.1055
72.5000	72.5000	67.6000	67.6000	67.6000

13.1866	13.1789	12.6607	11.8689	11.8655
12.8412	12.8457	12.8153	12.4536	12.4941
13.3200	13.3200	13.3200	13.4200	13.4200

7.4900	7.0069	6.6597	5.9676	5.9669
7.3450	6.9119	6.8911	6.2518	6.2727
7.5800	7.2800	7.2800	6.7800	6.7800

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)
2015	\$5,270,491	\$4,656,449	88.35%	\$221,091	\$4,877,540
2014	5,143,389	4,615,212	89.73	264,398	4,879,610
2013	5,366,546	5,020,201	93.55	200,460	5,220,661
2012	5,832,805	5,353,259	91.78	467,976	5,821,235
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

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
92.54%	\$1,030,707	19.56%
94.87	1,003,154	19.50
97.28	891,107	16.60
99.80	818,604	14.03
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

City of Bedford, Ohio
Principal Real Property Taxpayers
 2015 and 2006

<i>2015</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
West-Ward Injectables, Incorporated	\$9,856,430	4.33 %
Cleveland Electric Illuminating Company	7,464,350	3.28
Bedford Colony Club Apartments	4,781,400	2.10
Wal-Mart Associates Incorporated	4,592,180	2.02
CSH-ING Woodside Village	3,185,010	1.40
Bear Creek Property Company	2,194,930	0.95
Tomken, Incorporated	1,933,950	0.85
Vincentian Sisters of Charity	1,892,390	0.83
University Hospitals Health Systems	1,736,710	0.76
Nextgen Group, LTD	1,729,840	0.75
Total	\$39,367,190	17.27 %
Total Real Property Assessed Valuation	\$227,892,990	

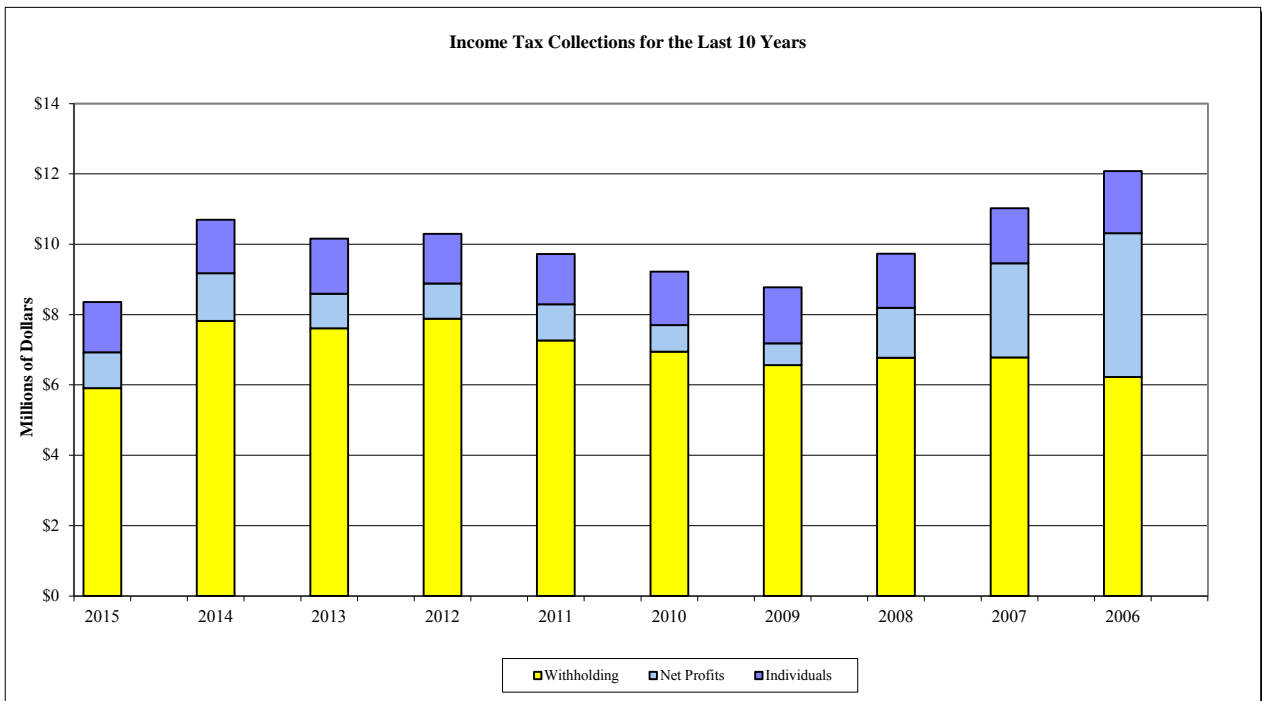
<i>2006</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
Bear Creek Property Company	\$6,809,635	2.84 %
Cleveland Electric Illuminating Company	4,566,541	1.90
Bedford Colony Club Apartments	4,225,410	1.76
Ben Venue Laboratories Incorporated	3,995,320	1.67
Brandybrook LLC	3,963,785	1.65
Aspen Retirement Village	3,199,805	1.33
HIN, LLC	2,746,940	1.15
Ohio Bell Telephone Company	2,606,202	1.09
University Hospitals Health Systems	2,433,480	1.02
Colony Club Apartments II	1,890,280	0.79
Total	\$36,437,398	15.20 %
Total Real Property Assessed Valuation	\$239,750,590	

Source: Cuyahoga County Fiscal Officer

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
2015	2.25%	\$8,353,995	\$5,906,190	70.70%	\$1,021,640	12.23%	\$1,426,165	17.07%
2014	2.25	10,697,349	7,818,943	73.09	1,359,219	12.71	1,519,187	14.20
2013	2.25	10,157,319	7,613,014	74.95	981,622	9.66	1,562,683	15.39
2012	2.25	10,294,837	7,885,409	76.60	995,553	9.67	1,413,875	13.73
2011	2.25	9,725,086	7,268,751	74.74	1,020,089	10.49	1,436,246	14.77
2010	2.25	9,222,515	6,948,561	75.34	752,013	8.15	1,521,941	16.51
2009	2.25	8,778,810	6,564,851	74.78	621,519	7.08	1,592,440	18.14
2008	2.25	9,730,084	6,769,942	69.58	1,422,846	14.62	1,537,296	15.80
2007	2.25	11,024,893	6,784,719	61.54	2,672,434	24.24	1,567,740	14.22
2006	2.25	12,078,770	6,229,296	51.57	4,082,128	33.80	1,767,346	14.63

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



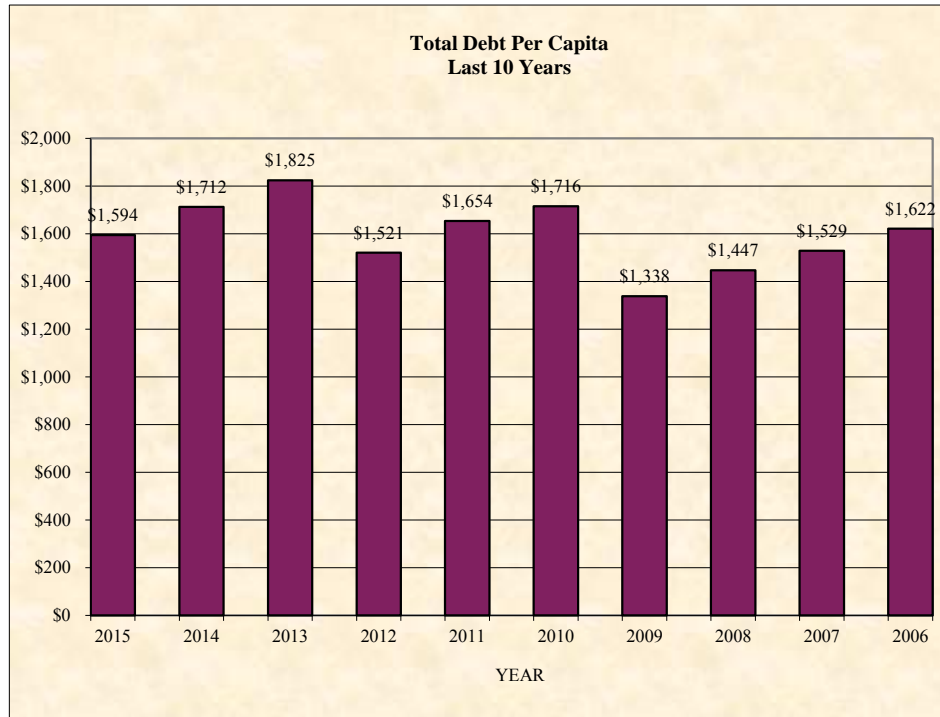
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases
2015	\$9,673,174	\$0	\$544,325	\$85,006
2014	10,525,186	60,000	596,171	27,222
2013	11,330,105	115,000	659,147	31,164
2012	10,984,030	170,000	733,253	44,475
2011	11,729,474	240,000	807,359	12,915
2010	11,963,792	310,000	337,199	22,845
2009	10,341,088	370,000	385,388	31,102
2008	10,861,303	430,000	433,577	42,712
2007	11,363,218	500,000	481,766	9,263
2006	11,816,833	570,000	529,955	12,458

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

Business-Type Activities

General Obligation Bonds	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$8,172,090	\$1,198,841	\$1,170,364	\$20,843,800	6.86%	\$1,594
8,591,978	1,324,296	1,264,195	22,389,048	7.63	1,712
8,916,167	1,444,998	1,362,192	23,858,773	7.63	1,825
4,095,413	2,393,182	1,460,186	19,880,539	6.63	1,521
4,439,170	3,298,229	1,092,830	21,619,977	6.82	1,654
4,652,674	3,977,893	1,168,124	22,432,527	7.23	1,716
1,919,316	4,729,073	1,243,418	19,019,385	6.73	1,338
2,145,609	5,442,910	1,210,512	20,566,623	7.28	1,447
2,360,202	6,121,100	899,418	21,734,967	7.69	1,529
2,563,095	6,765,264	793,921	23,051,526	8.08	1,622



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) (4)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2015	13,074	b	\$661,659,079	\$17,845,264	2.70 %	\$1,365
2014	13,074	b	658,412,024	19,117,164	2.90	1,462
2013	13,074	b	666,550,924	20,246,272	3.04	1,549
2012	13,074	b	753,457,349	15,079,443	2.00	1,153
2011	13,074	b	754,877,425	16,168,644	2.14	1,237
2010	13,074	b	770,353,067	16,616,466	2.16	1,271
2009	14,214	a	917,389,246	12,260,404	1.34	863
2008	14,214	a	992,180,325	13,006,912	1.31	915
2007	14,214	a	874,106,513	13,723,420	1.15	965
2006	14,214	a	881,166,405	14,379,928	1.63	1,012

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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

(4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Bedford, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2015

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
Direct - City of Bedford			
General Obligation Bonds	\$9,673,174	100.00%	\$9,673,174
OPWC Loans	544,325	100.00%	544,325
Capital Leases	<u>85,006</u>	100.00%	<u>85,006</u>
<i>Total Direct Debt</i>	<u>10,302,505</u> *		<u>10,302,505</u>
Overlapping			
Bedford School District			
General Obligation Bonds	1,798,821	37.68%	677,796
Capital Leases	46,164	37.68%	17,395
Cuyahoga County			
General Obligation Bonds	265,325,306	0.92%	2,440,993
Revenue Bonds	632,267,039	0.92%	5,816,857
Certificates of Participation	256,864,058	0.92%	2,363,149
Loans Payable	3,641,944	0.92%	33,506
Capital Leases	454,910,836	0.92%	4,185,180
Greater Cleveland Regional			
Transit Authority	<u>133,153,266</u>	0.92%	<u>1,225,010</u>
<i>Total Overlapping Debt</i>	<u>1,748,007,434</u>		<u>16,759,884</u>
Total	<u><u>\$1,758,309,939</u></u>		<u><u>\$27,062,389</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.

* \$8,765,800 of the total \$9,574,300 of total outstanding general obligation debt is backed by two revenue sources.

\$4,870,800 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.

\$1,010,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

A final source of revenue for the repayment of this debt is real estate taxes. We do not anticipate that any of the \$5,880,800 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio

Legal Debt Margin

Last Ten Years

	2015	2014	2013	2012
Population	13,074	13,074	13,074	13,074
Total Assessed Property Value	<u>\$237,164,890</u>	<u>\$235,730,350</u>	<u>\$238,173,220</u>	<u>\$268,141,920</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$17,515,000	\$18,760,000	\$20,040,000	\$15,045,000
Special Assessment Bonds	0	60,000	115,000	170,000
OPWC Loans	1,714,689	1,860,366	2,021,339	2,193,739
OWDA Loans	<u>1,198,841</u>	<u>1,324,296</u>	<u>1,444,998</u>	<u>2,393,182</u>
Total Gross Indebtedness	20,428,530	22,004,662	23,621,337	19,801,921
Less:				
General Obligation Notes/Bonds	(10,401,500)	(11,057,100)	(15,766,000)	(10,538,200)
Special Assessment Bonds	0	(60,000)	(115,000)	(170,000)
OPWC Loans	(1,714,689)	(1,860,366)	(2,021,339)	(2,193,739)
OWDA Loans	(1,198,841)	(1,324,296)	(1,444,998)	(2,393,182)
General Obligation Bond Retirement Fund Balance	<u>(221,147)</u>	<u>(222,155)</u>	<u>(138,356)</u>	<u>(112,729)</u>
Total Net Debt Applicable to Debt Limit	<u>6,892,353</u>	<u>7,480,745</u>	<u>4,135,644</u>	<u>4,394,071</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>24,902,313</u>	<u>24,751,687</u>	<u>25,008,188</u>	<u>28,154,902</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$18,009,960</u>	<u>\$17,270,942</u>	<u>\$20,872,544</u>	<u>\$23,760,831</u>
Legal Debt Margin as a Percentage of the Debt Limit	72.32%	69.78%	83.46%	84.39%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$13,044,069</u>	<u>\$12,965,169</u>	<u>\$13,099,527</u>	<u>\$14,747,806</u>
Total Gross Indebtedness	20,428,530	22,004,662	23,621,337	19,801,921
Less:				
General Obligation Notes/Bonds	(10,401,500)	(11,057,100)	(15,766,000)	(10,538,200)
Special Assessment Bonds	0	(60,000)	(115,000)	(170,000)
OPWC Loans	(1,714,689)	(1,860,366)	(2,021,339)	(2,193,739)
OWDA Loans	(1,198,841)	(1,324,296)	(1,444,998)	(2,393,182)
General Obligation Bond Retirement Fund Balance	<u>(221,147)</u>	<u>(222,155)</u>	<u>(138,356)</u>	<u>(112,729)</u>
Net Debt Within 5 ½ % Limitations	<u>6,892,353</u>	<u>7,480,745</u>	<u>4,135,644</u>	<u>4,394,071</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,151,716</u>	<u>\$5,484,424</u>	<u>\$8,963,883</u>	<u>\$10,353,735</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	47.16%	42.30%	68.43%	70.21%

Source: City Financial Records

2011	2010	2009	2008	2007	2006
13,074	13,074	14,214	14,214	14,214	14,214
<u>\$268,445,870</u>	<u>\$273,760,880</u>	<u>\$293,946,130</u>	<u>\$306,869,373</u>	<u>\$282,809,736</u>	<u>\$291,754,871</u>
\$16,130,000	\$16,970,000	\$12,680,000	\$13,455,000	\$14,200,000	\$14,379,928
240,000	310,000	370,000	430,000	500,000	570,000
1,900,189	1,505,323	1,628,806	1,644,089	1,381,184	1,323,876
<u>3,298,229</u>	<u>4,162,292</u>	<u>4,991,234</u>	<u>5,774,833</u>	<u>6,526,785</u>	<u>7,244,711</u>
21,568,418	22,947,615	19,670,040	21,303,922	22,607,969	23,518,515
(11,360,400)	(12,075,900)	(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)
(240,000)	(310,000)	(370,000)	(430,000)	(500,000)	(570,000)
(1,900,189)	(1,505,323)	(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)
<u>(3,298,229)</u>	<u>(4,162,292)</u>	<u>(4,991,234)</u>	<u>(5,774,833)</u>	<u>(6,526,785)</u>	<u>(7,244,711)</u>
<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>
<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>	<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>
<u>28,186,816</u>	<u>28,744,892</u>	<u>30,864,344</u>	<u>32,221,284</u>	<u>29,695,022</u>	<u>30,634,261</u>
<u>\$23,459,472</u>	<u>\$23,856,250</u>	<u>\$27,994,571</u>	<u>\$29,104,073</u>	<u>\$26,834,907</u>	<u>\$28,217,091</u>
83.23%	82.99%	90.70%	90.33%	90.37%	92.11%
<u>\$14,764,523</u>	<u>\$15,056,848</u>	<u>\$16,167,037</u>	<u>\$16,877,816</u>	<u>\$15,554,535</u>	<u>\$16,046,518</u>
21,568,418	22,947,615	19,670,040	21,303,922	22,607,969	23,518,515
(11,360,400)	(12,075,900)	(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)
(240,000)	(310,000)	(370,000)	(430,000)	(500,000)	(570,000)
(1,900,189)	(1,505,323)	(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)
<u>(3,298,229)</u>	<u>(4,162,292)</u>	<u>(4,991,234)</u>	<u>(5,774,833)</u>	<u>(6,526,785)</u>	<u>(7,244,711)</u>
<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>
<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>	<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>
<u>\$10,037,179</u>	<u>\$10,168,206</u>	<u>\$13,297,264</u>	<u>\$13,760,605</u>	<u>\$12,694,420</u>	<u>\$13,629,348</u>
67.98%	67.53%	82.25%	81.53%	81.61%	84.94%

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) Principal	Coverage
2015	\$4,229,352	\$2,839,417	\$1,389,935	\$42,700	32.55
2014	4,358,698	3,479,063	879,635	42,700	20.60
2013	4,827,079	3,580,722	1,246,357	42,700	29.19
2012	4,606,712	2,909,601	1,697,111	31,350	54.13
2011	4,491,419	3,871,249	620,170	20,000	31.01
2010	4,439,060	4,317,927	121,133	20,000	6.06
2009	4,122,298	3,687,421	434,877	10,000	43.49
2008	3,837,269	3,048,014	789,255	0	n/a
2007	3,645,886	3,295,844	350,042	0	n/a
2006	3,296,917	3,013,410	283,507	0	n/a

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

(2) Direct operating expenses do not include depreciation.

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	
2015	\$2,387,746	\$1,345,631	\$1,042,115	\$176,586	\$50,436	4.59
2014	2,317,870	1,748,783	569,087	175,999	55,189	2.46
2013	2,489,481	1,571,586	917,895	1,003,478	89,638	0.84
2012	2,412,814	1,400,579	1,012,235	960,341	135,242	0.92
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

(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

2015		
Employer	Employees	Percentage of Total City Employment
University Hospitals Health Systems	899	6.79%
Wal-Mart Associates Incorporated	557	4.21
Bedford City School District	440	3.32
US Bank National Association	415	3.13
City of Bedford	357	2.70
Reserves Network	225	1.70
Ganley Bedford Imports Incorporated	189	1.43
Riser Foods Company	185	1.40
Jay Pontiac Inc.	180	1.36
HB Employee Services LLC	175	1.32
Total	3,622	27.36%
Total Employment within the City	13,239	

2006		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Incorporated	1,133	7.15%
University Hospital Health Systems	941	5.94
Bedford City School District	571	3.61
City of Bedford	342	2.16
Target Division of Dayton Hudson	278	1.76
US Bank Leader Mortgage	253	1.60
Riser Foods Company	205	1.29
Applebee's	193	1.22
Jay Pontiac Inc.	163	1.03
Tim Lally Chevrolet Inc.	159	1.00
Total	4,238	26.76%
Total City Employees	15,836	

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2015	13,074	\$303,905,130	\$23,245	\$39,820	40
2014	13,074	303,525,984	23,216	40,417	42
2013	13,074	303,499,836	23,214	40,860	42
2012	13,074	302,597,730	23,145	42,474	42
2011	13,074	312,808,524	23,926	42,171	42
2010	13,074	312,808,524	23,926	42,171	42
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

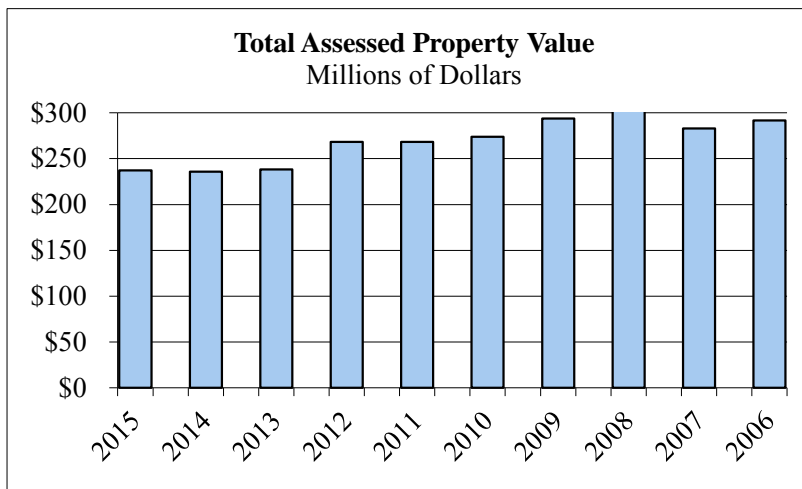
(1) Source: U. S. Census

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

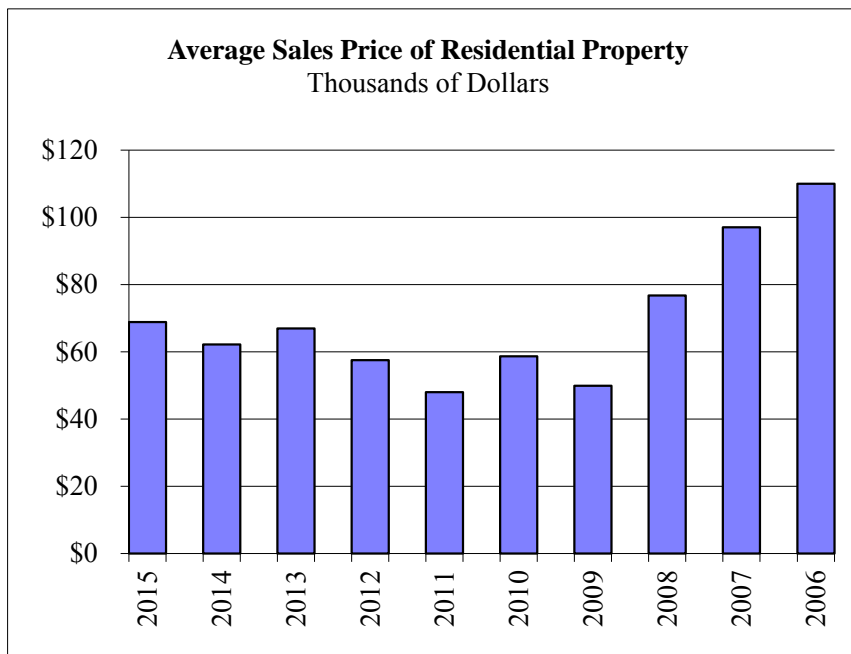
(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County Fiscal Officer

(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)
14.3%	3,331	4.0%	\$68,865	\$237,164,890
13.9	3,437	6.0	62,191	235,730,350
13.5	3,700	7.2	66,945	238,173,220
18.0	3,529	7.3	57,479	268,141,920
18.0	4,011	7.1	48,000	268,445,870
18.2	4,011	8.6	58,663	273,760,880
18.2	4,170	9.0	49,900	293,946,130
18.2	4,108	7.1	76,750	306,869,373
18.2	3,925	6.1	97,000	282,809,736
18.2	3,908	5.5	110,000	291,754,871



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

Function/Program	2015	2014	2013	2012
General Government				
Council	8.00	8.00	8.00	8.00
Finance	5.00	5.00	5.00	5.00
Tax	3.00	3.00	3.00	3.50
City Manager	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.50
Administration	2.50	2.50	2.50	2.50
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	34.00	32.50	32.50	34.00
Public Building	4.00	4.00	4.00	4.00
Security of Persons and Property				
Police	30.00	30.00	31.00	31.00
Police - Auxiliary/Guards	10.50	13.00	12.50	12.50
Police - Dispatchers/Office/Other	5.50	13.50	12.00	14.00
Police - Jailers	3.50	2.50	2.50	2.50
Police - Animal Wardens	1.50	1.50	1.50	1.50
Fire	29.00	29.00	29.00	27.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00
Public Health Services				
Cemetery	1.50	1.50	1.50	1.50
Leisure Time Activities				
Recreation	29.50	33.50	30.00	15.00
Municipal Pool	17.50	16.00	18.50	17.00
Ellenwood Center	5.00	4.00	4.50	3.50
Community Development				
Building	5.00	4.50	5.50	4.50
Economic Development	1.00	1.00	1.00	1.00
Transportation				
Service	17.50	17.00	19.50	19.50
Street Maintenance and Repair	5.50	5.50	5.50	5.50
Basic Utility Services				
Water	8.00	8.00	8.50	8.50
Wastewater	10.50	10.50	10.50	10.50
Totals:	245.50	254.00	256.50	240.50

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.

2011	2010	2009	2008	2007	2006
8.00	8.00	8.00	8.00	8.00	8.00
5.00	5.50	5.50	5.50	5.50	5.50
3.50	3.50	3.00	3.50	3.50	3.50
1.00	1.00	0.00	1.00	1.00	1.00
1.00	1.00	1.50	1.00	1.00	1.00
2.00	3.00	2.50	4.00	4.00	4.50
0.50	0.50	0.50	0.50	0.50	0.50
2.00	2.00	2.00	2.00	1.50	1.50
2.50	2.50	2.50	2.50	2.50	2.00
33.50	33.50	31.50	35.50	36.50	34.50
5.00	5.00	3.50	5.50	5.00	5.00
31.00	32.00	31.00	35.00	33.00	33.00
16.50	14.50	14.50	16.00	16.50	17.50
13.50	14.00	15.00	15.50	15.00	10.00
2.50	2.50	2.50	2.50	2.50	3.00
3.00	2.00	2.00	2.50	1.50	2.00
27.00	26.00	27.00	27.00	30.00	30.00
1.00	1.00	1.00	1.00	1.50	1.50
2.00	2.00	1.00	1.00	1.00	2.00
18.50	17.50	14.50	20.00	19.00	17.50
16.00	16.00	15.50	16.50	17.50	16.00
3.50	3.50	5.50	3.50	5.50	5.00
5.50	5.50	5.50	5.50	5.50	5.00
1.00	1.00	1.00	2.00	2.00	1.50
19.00	17.50	19.50	20.50	20.00	20.50
8.00	8.00	2.00	6.50	6.50	6.50
8.50	8.50	8.50	9.00	8.50	7.00
10.50	10.50	10.00	10.50	10.00	11.00
<u>251.00</u>	<u>247.50</u>	<u>236.50</u>	<u>263.50</u>	<u>264.50</u>	<u>256.00</u>

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

Function/Program	2015	2014	2013	2012
General Government				
<i>Council & Clerk</i>				
Number of Ordinances Passed	117	103	103	109
Number of Resolutions Passed	11	13	9	13
<i>Finance Department</i>				
Number of checks/ vouchers issued	3,223	3,238	3,584	3,962
Amount of checks written	\$19,939,028	\$19,871,636	\$21,519,508	\$19,835,510
Interest earnings for fiscal year (cash basis)	\$93,411	\$72,883	\$51,348	\$56,610
Number of Receipts issued	1,978	2,021	2,140	2,160
Number of Journal Entries issued	1,426	1,451	1,394	1,139
Number of Budget Adjustments issued	92	87	96	108
Agency Ratings - Standard & Poors	AA	AA	AA	AA
Agency Ratings - Moody's Financial Services	Aa3	Aa3	Aa2	Aa2
Health Insurance Costs vs General Fund Expenditures %	15.60%	16.41%	17.25%	17.47%
General Fund Receipts (cash basis in thousands)	\$19,344	\$21,539	\$21,168	\$21,284
General Fund Expenditures (cash basis in thousands)	\$15,483	\$14,988	\$14,998	\$14,878
General Fund Cash Balances (in thousands)	\$7,606	\$9,545	\$8,794	\$8,242
<i>Income Tax Department</i>				
Number of Individual Returns	6,398	6,372	6,336	6,446
Number of Business Returns	2,360	2,623	2,550	2,365
Number of business withholding accounts	1,000	926	862	880
Amount of Penalties and Interest Collected	\$140,676	\$131,146	\$128,946	\$102,127
Annual number of Corporate withholding forms processed	4,880	4,664	4,424	4,560
Annual number of balance due statements forms processed	17,963	18,439	17,467	15,287
Annual number of estimated payment forms processed	8,438	8,990	8,198	7,785
Annual number of reconciliations of withholdings processed	1,162	1,078	1,005	1,013
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$1,041,557	\$1,292,838	\$3,128,387	\$1,721,452
<i>Municipal Court</i>				
Number of Civil Cases	5,936	6,251	6,318	6,155
Number of Criminal cases	11,259	11,759	11,442	10,923
<i>Vital Statistics - Office Closed at end of 2014</i>				
Certificates Filed				
Number of Births	0	1	3	1
Number of Deaths	0	163	216	217
Certificates Issued				
Number of Births	0	923	548	340
Number of Deaths	0	714	828	886
Burial Permits Issued	0	528	482	609
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	0	1	0	0
Number of police promotional tests administered	0	0	0	1
Number of fire promotional tests administered	0	0	0	1
Number of hires of Police Officers from certified lists	4	2	0	2
Number of hires of Fire/Medics from certified lists	1	2	3	1
Number of promotions from police certified lists	0	1	3	1
Number of promotions from fire certified lists	0	1	1	0

2011	2010	2009	2008	2007	2006
140	231	276	265	133	90
13	25	17	23	9	9
4,029	4,158	4,089	4,377	4,795	4,428
\$22,586,194	\$22,247,906	\$22,593,479	\$23,125,393	\$24,035,165	\$21,085,783
\$78,405	\$80,918	\$261,084	\$536,297	\$948,213	\$710,467
2,088	1,798	1,802	1,677	1,665	1,628
1,078	1,043	1,015	1,166	1,059	826
102	93	88	115	112	122
AA	AA	AA-	AA-	AA-	AA-
Aa2	Aa2	A1	A1	A1	A1
13.75%	11.33%	12.98%	13.25%	12.49%	11.79%
\$21,682	\$20,947	\$20,887	\$21,478	\$22,709	\$17,725
\$14,663	\$14,832	\$17,007	\$17,047	\$23,570	\$15,203
\$7,818	\$6,598	\$6,283	\$7,903	\$9,392	\$10,214
6,474	6,509	6,324	6,760	6,808	7,274
2,739	2,689	2,784	2,877	2,650	2,700
872	1,015	1,249	1,230	1,610	1,861
\$114,277	\$158,390	\$134,751	\$134,751	\$135,901	\$255,463
4,568	6,598	7,332	7,296	9,088	10,076
13,272	13,754	16,407	15,509	13,486	15,939
7,610	8,622	9,835	11,530	12,007	12,385
1,011	1,154	1,026	1,296	1,625	1,884
\$1,969,866	\$2,302,984	\$377,787	\$1,453,306	\$1,981,083	\$572,572
6,225	4,558	4,664	5,770	5,267	4,577
9,610	9,869	10,675	11,400	10,732	10,289
2	4	1	1	2	2
228	242	233	266	232	255
347	535	685	859	1,055	1,226
1,044	1,112	1,104	1,385	960	1,327
757	668	646	698	606	465
1	0	0	0	1	1
0	1	0	0	0	1
0	1	0	0	2	0
0	0	0	0	1	0
2	0	0	2	0	0
0	0	0	0	0	0
1	0	1	3	0	0
0	0	0	1	0	0

(continued)

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

Function/Program	2015	2014	2013	2012
<i>Building Department Indicators</i>				
Construction Permits Issued	129	116	121	116
Estimated Value of Construction	\$1,342,297	\$4,112,496	\$12,323,104	\$4,872,989
Number of all permits issued	943	820	806	768
Amount of Revenue generated from permits	\$63,308	\$62,586	\$76,997	\$47,651
Number of contract registrations issued	506	470	484	475
Number of rental inspections performed	495	533	480	549
Number of point of sale inspections	284	275	286	227
Annual Apartment/Rooming House License Fees	\$37,535	\$37,990	\$39,010	\$38,200
Revenue generated from inspections	\$70,477	\$66,052	\$80,699	\$88,175
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	16,338	16,088	19,210	22,943
Number of traffic citations issued	1,454	1,293	1,139	1,421
Number of parking citations issued	863	658	759	1,027
Number of criminal arrests	1,665	1,665	1,957	2,622
Number of accident reports completed	335	248	243	254
Part 1 Offenses (major offenses)	569	520	572	614
Animal Warden service calls responded to per annual report	834	1,058	1,149	1,473
Police Dept. Auxiliary hours worked	2,387	2,504	2,617	2,798
Prisoner meal costs	\$17,179	\$15,420	\$23,363	\$25,729
Juvenile Arrests	91	162	156	195
Motor Vehicle Accidents	343	324	307	254
Property damage accidents	132	153	208	7
Fatalities from Motor Vehicle Accidents	0	0	4	0
Gasoline costs of fleet	\$67,829	\$72,754	\$77,037	\$77,141
Community Diversion Program Youths	3	15	19	25
Community Diversion Program - community service hours	72	260	352	364
<i>Fire</i>				
EMS Calls	1,980	1,893	1,802	1,865
Ambulance Billing Collections (net)	\$432,015	\$414,024	\$418,560	\$436,301
Fire Calls	505	516	515	490
Fires with Loss	13	16	15	13
Fires with Losses exceeding \$25K	2	7	5	2
Fire Losses \$	\$258,050	\$429,100	\$293,450	\$227,150
Fire Safety Inspections	313	322	333	332
Number of times Mutual Aid given to Fire and EMS	109	111	114	89
Number of times Mutual Aid received for Fire and EMS	99	73	103	118
Public Health & Welfare				
Cemetery burials	34	39	43	29
Cemetery cremations	14	20	20	24
Cemetery sale of lots	22	38	26	34
Cemetery receipts	\$37,275	\$55,465	\$48,362	\$41,320

2011	2010	2009	2008	2007	2006
132	129	145	129	127	127
\$2,608,998	\$20,457,039	\$1,438,179	\$6,321,592	\$27,740,947	\$5,260,975
820	806	759	848	905	912
\$47,116	\$60,187	\$29,842	\$77,938	\$162,079	\$65,057
463	471	495	450	517	605
590	564	475	451	442	470
221	228	227	253	304	347
\$36,190	\$37,830	\$38,900	\$36,040	\$37,780	\$31,550
\$80,795	\$82,905	\$83,120	\$87,985	\$85,780	\$92,712
22,236	22,378	23,467	24,866	22,454	15,000
1,329	1,887	2,233	2,505	2,568	2,574
942	1,493	1,447	1,438	1,280	1,434
2,233	1,978	2,367	2,284	1,718	1,863
309	307	336	470	553	486
703	571	669	600	657	576
1,549	1,469	1,532	1,542	1,535	1,732
3,566	3,303	4,315	3,529	3,439	2,668
\$17,798	\$16,013	\$30,929	\$28,509	\$20,517	\$16,139
188	289	349	455	340	332
308	302	323	459	541	486
5	18	30	36	430	422
1	1	0	2	1	0
\$72,985	\$46,347	\$55,521	\$86,900	\$67,244	\$45,645
24	38	64	49	45	45
348	408	548	516	648	670
1,849	1,776	1,673	1,954	1,704	1,536
\$459,828	\$359,515	\$400,528	\$429,346	\$354,920	\$348,187
716	917	583	502	526	505
16	14	13	28	44	35
0	1	6	2	6	3
\$181,800	\$112,650	\$299,000	\$160,170	\$427,900	\$251,950
363	369	392	393	398	398
78	70	105	111	166	168
127	123	89	13	42	43
33	37	289	23	39	42
13	9	17	13	9	22
121	20	45	40	36	28
\$75,588	\$32,865	\$45,120	\$39,230	\$43,705	\$45,941

(continued)

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

Function/Program	2015	2014	2013	2012
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$31,087	\$34,139	\$32,364	\$39,798
Recreation Mens & Womens Leagues receipts	35,528	32,968	39,766	41,511
Senior Van Fees	2,505	2,239	2,577	2,536
Playground Registration	23,880	34,650	24,900	18,910
Ellenwood Facilities rentals	37,641	34,068	27,110	26,006
	<u>\$130,641</u>	<u>\$138,064</u>	<u>\$126,717</u>	<u>\$128,761</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$14,730	\$27,408	\$232,062	\$106,145
Basic Utility Services				
Refuse disposal per year (in tons) August through July	4,675	4,602	4,368	4,622
Refuse disposal costs per year August through July	\$712,512	\$707,790	\$700,186	\$696,183
Cost per household per month	\$12	\$12	\$12	\$12
Annual recycling tonnage (excluding leaf, and compost items)	349	346	338	341
Percentage of waste recycled	6.95%	6.99%	7.21%	6.87%
Transportation				
Street Improvements - asphalt overlay (linear feet)	0	0	26,050	0
Rejuvenating Spray on Streets (Miles)	0.00	0.00	0.00	0.00
Crackseal Coating Program (Miles)	7.20	7.20	7.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	4,825	3,800	4,094	4,323
Guardrail Repair (hours)	28	48	48	48
Paint Striping (hours)	812	637	1,164	1,275
Street Sweeper (hours)	323	396	381	511
Cold Patch (hours)	1,659	1,408	1,644	1,300
Snow & Ice Removal regular hours	1,148	1,166	874	413
Snow & Ice Removal overtime hours	922	1,112	1,088	929
Sewer and Sanitary calls for service	568	768	909	899
After hours Sewer Calls (hours)	28	56	209	296
Sewer Crew (hours)	1,312	1,759	2,227	2,179
Sewer jet, Vac-all, other services (hours)	278	202	2,308	2,638
Landscaping Stump-Chipper service (hours)	3,544	3,731	3,647	5,154
Leaf collection (hours)	1,755	2,108	2,148	2,024
Holiday lights setup (hours)	1,685	1,630	1,115	1,407
Downtown Square Repair after events (hours)	580	996	1,516	42
Equipment repair/body shop (hours)	5,077	5,568	5,595	5,383
Sign department (hours)	946	2,135	2,603	2,530
Number of Trees Planted per year	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	4,233	5,027	4,232	3,439
Cost of salt purchased	\$219,199	\$120,101	\$155,263	\$126,869
Tons of road traction ice grits purchased	0	0	0	0
Cost of ice grits purchased	\$0	\$0	\$0	\$0
Water Department				
Water Rates per 1st 300 Cu ft of water used	\$28	\$27	\$25	\$25
Avg. number of water accounts billed monthly (Cu. Ft.)	4,998	5,006	5,004	5,004
Total Water Collections Annually (Including P&I)	\$4,195,268	\$4,366,295	\$4,384,856	\$4,643,270
Payments to Cleveland for bulk water purchases	\$2,211,920	\$2,699,458	\$2,665,054	\$2,497,967
Wastewater Department				
Wastewater Rates per 1st 300 Cu ft of water used	\$20.00	\$20.00	\$17.00	\$17.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.726	0.827	0.824	0.816
Average daily flow (Millions of gallons per day)	1.988	2.267	2.258	2.231
Tons of dry sludge removed	196.30	272.63	230.40	258.56

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

2011	2010	2009	2008	2007	2006
\$40,704	\$40,128	\$35,152	\$39,378	\$37,950	\$37,637
40,960	41,249	45,542	31,948	21,666	15,513
2,766	2,804	2,793	2,268	2,175	2,403
15,325	21,027	19,930	20,509	23,410	17,833
25,418	26,504	24,278	19,857	18,723	21,050
<u>\$125,173</u>	<u>\$131,712</u>	<u>\$127,695</u>	<u>\$113,960</u>	<u>\$103,924</u>	<u>\$94,436</u>
\$586,562	\$664,367	\$11,913	\$461,066	\$457,011	\$1,109,423
4,667	4,717	4,769	5,200	5,308	5,955
\$669,194	\$715,970	\$723,149	\$719,902	\$509,870	\$544,013
\$12	\$13	\$13	\$13	\$9	\$10
388	347	379	439	440	514
7.68%	6.85%	7.36%	7.79%	7.65%	7.95%
9,650	36,900	0	5,200	0	0
0.00	0.00	0.00	0.00	0.00	1.15
7.20	7.20	70.20	7.20	7.20	7.20
3,832	3,410	4,049	4,180	3,577	4,508
48	48	48	48	48	36
808	680	1,013	876	960	1,439
448	808	702	831	754	760
1,800	1,392	2,729	1,868	1,248	1,924
946	1,558	760	730	630	316
987	1,864	855	1,598	1,125	473
974	894	956	834	845	1,002
371	331	416	1,506	1,636	1,765
2,168	2,494	3,718	3,747	3,632	3,690
3,249	2,423	1,993	2,209	1,573	3,483
5,406	4,947	4,190	6,003	5,320	5,574
2,083	2,313	2,424	2,243	2,670	2,310
1,644	1,636	1,444	1,352	1,449	1,605
69	60	340	340	340	682
5,734	6,391	6,945	6,842	5,591	7,574
789	856	456	1,502	1,559	1,541
60-80	60-80	60-80	60-80	60-80	60-80
5,838	5,821	5,793	1,510	6,885	6,132
\$261,845	\$261,002	\$252,186	\$128,362	\$269,153	\$230,080
0	0	0	1,316	0	0
\$0	\$0	\$0	\$21,842	\$0	\$0
\$24	\$23	\$21	\$19	\$17	\$17
5,005	5,003	5,008	4,999	5,004	4,967
\$4,021,989	\$4,341,474	\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122
\$2,810,055	\$3,447,605	\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957
\$15.00	\$15.00	\$14.00	\$14.00	\$13.18	\$13.18
0.975	0.868	0.879	0.966	0.949	1.018
2.910	2.379	2.407	2.638	2.601	2.764
251.70	250.40	242.73	228.14	233.04	266.06

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

Function/Program	2015	2014	2013	2012	2011
General Government					
Square Footage Occupied	44,035	44,035	44,035	44,035	44,035
Administrative Vehicles	2	2	2	2	2
Inspection Vehicles	3	3	3	3	2
Municipal Court Vehicles	2	2	2	2	2
Lands & Buildings Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667	21,667
Vehicles	22	22	22	22	22
Fire					
Stations	1	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774	14,774
Vehicles	12	12	12	12	12
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	14	14	13	13
Other Public Works					
Streets (miles)	48	48	48	48	48
Service Vehicles	55	58	58	58	60
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	5	5	5	7	6
Water Department					
Water Lines (miles)	100	100	100	100	100
Vehicles	8	7	7	7	7

Source: City of Bedford

2010	2009	2008	2007	2006
44,035	44,035	44,035	44,035	44,035
2	2	3	2	2
3	3	3	3	3
1	1	2	2	2
2	2	2	2	2
1	1	1	1	1
21,667	21,667	21,667	21,667	21,667
22	22	23	22	20
1	1	1	1	1
14,774	14,774	14,774	14,774	14,774
13	12	12	10	10
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	15	14	13
48	48	48	48	48
60	57	58	55	54
41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70
6	7	7	6	6
100	100	100	100	100
7	8	7	4	4

City of Bedford, Ohio
Major Assets and Current Appraised Replacement Costs
Last Ten Years

Function/Program	2015	2014	2013	2012	2011
General Government					
Municipal Complex					
City Hall Building	\$3,231,180	\$3,150,774	\$3,054,068	\$2,955,970	\$2,893,238
City Hall Miscellaneous Equipment	675,456	707,310	867,386	831,178	807,330
Garage	44,033	43,576	40,737	39,200	38,655
Radio Building	13,888	13,750	12,878	12,486	12,254
Radio Tower	44,056	43,745	42,484	41,271	40,490
Police					
Municipal Complex					
Justice Center Building	15,019,269	14,857,685	14,437,761	13,998,601	13,720,291
Justice Center Miscellaneous Equipment	2,238,977	2,141,855	2,219,559	2,171,894	2,118,607
Fire					
Municipal Complex					
Station Building	3,444,996	3,410,159	3,267,282	3,169,384	3,095,396
Station Miscellaneous Equipment	779,652	743,675	1,118,003	1,066,317	938,759
<i>Total Municipal Complex</i>	<u>\$25,491,507</u>	<u>\$25,112,529</u>	<u>\$25,060,158</u>	<u>\$24,286,301</u>	<u>\$23,665,020</u>
Recreation					
Ellenwood Rec Center					
Building	\$4,845,929	\$4,772,769	\$4,594,985	\$4,456,186	\$4,371,021
Municipal Pool					
Bathhouse Building	274,396	271,654	293,738	285,506	275,905
Swimming Pool	1,123,330	1,111,548	1,056,348	1,027,574	1,001,340
Other Public Works					
Service					
Garage - Solon Road	1,737,550	1,720,335	1,919,343	1,864,429	1,825,956
Garage - Salt Storage	96,788	95,829	89,426	86,053	84,856
Administration Building	1,168,533	1,156,881	467,808	450,161	443,286
Cemetery					
Storage Building	173,215	171,500	162,216	156,143	153,928

2010	2009	2008	2007	2006	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$2,790,117	\$2,765,189	\$2,629,059	\$2,571,532	\$2,145,077	2003	\$2,030,818	59.11 %
770,765	771,779	741,201	706,017	662,990	Various	561,893	20.21
37,026	36,674	35,605	35,114	32,584	2003	27,419	60.59
11,810	11,701	11,125	10,890	10,058	1997	7,317	89.80
39,549	39,348	36,119	35,060	32,460	2003	27,378	60.92
13,232,422	13,089,869	12,445,472	12,172,350	11,253,749	2003	9,573,704	56.88
2,052,055	2,018,069	1,874,287	1,793,900	1,703,307	Various	1,245,745	79.73
2,985,454	2,958,158	2,812,538	2,750,580	2,543,267	2003	2,162,658	59.29
843,619	816,287	714,104	618,296	573,755	Various	502,303	55.22
<u>\$22,762,817</u>	<u>\$22,507,074</u>	<u>\$21,299,510</u>	<u>\$20,693,739</u>	<u>\$18,957,247</u>		<u>\$16,139,235</u>	57.95
\$4,214,709	\$4,176,817	\$3,971,176	\$3,880,354	\$3,582,170	1964, 1984, 1998	\$780,688	520.73
266,485	264,044	242,512	217,214	200,749	1969	58,986	365.19
968,039	960,261	894,439	477,207	443,171	1969, 1993	817,542	37.40
1,756,094	1,690,926	1,573,218	1,491,010	1,266,187	1953, 1972, 1979	545,316	218.63
81,280	80,507	78,162	77,083	71,532	1992	45,585	112.32
414,777	410,833	n/a	n/a	n/a	2009	389,322	200.15
147,480	146,091	141,804	139,802	129,765	1985	67,414	156.94

(continued)

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

Function/Program	2015	2014	2013	2012	2011
Wastewater					
Sewage Treatment Plant					
Administration Building	\$180,108	\$178,325	\$166,135	\$161,077	\$158,089
Administration Miscellaneous Equipment	190,183	187,300	906,593	892,105	383,650
Laboratory Building	331,096	327,538	315,445	306,889	300,058
Laboratory Miscellaneous Equipment	180,027	172,405	157,498	147,919	142,306
Filter Building	287,483	284,637	269,177	260,982	256,142
Filter Miscellaneous Equipment	485,844	478,475	488,972	483,221	464,323
Primary Settling Tanks	825,521	816,862	782,419	761,108	741,676
Primary Settling Tanks - Miscellaneous Equipment	604,163	595,000	610,086	602,912	579,333
Oxidation Tower East Building	639,186	632,483	602,200	585,797	570,842
Oxidation Tower East - Miscellaneous Equipment	1,012,354	997,000	1,017,716	1,005,748	966,415
Oxidation Tower West Building	639,186	632,483	602,200	585,797	570,842
Oxidation Tower West - Miscellaneous Equipment	1,012,354	997,000	1,017,716	1,005,748	966,415
Equalization Basin Building	1,698,425	1,680,610	1,605,203	1,561,482	1,521,616
Rapid Sand Filter Building	819,982	811,383	685,650	664,775	652,443
Rapid Sand Filter - Miscellaneous Equipment	1,230,364	1,211,740	1,176,005	1,162,203	1,116,845
Final Settling Tank #2 Building	423,723	419,279	401,242	390,313	380,349
Final Settling Tank #2 - Miscellaneous Equipment	248,773	245,000	151,979	150,192	144,318
* Total Buildings	37,061,873	36,603,805	34,868,745	33,821,184	33,108,673
** Total Miscellaneous Equipment	8,658,147	8,476,760	9,731,513	9,519,437	8,628,301

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)

2010	2009	2008	2007	2006	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$152,361	\$150,957	\$143,522	\$140,487	\$129,757	1973	\$30,639	487.84 %
372,129	371,759	351,360	546,274	314,705	Various	479,908	(60.37)
290,131	287,887	273,737	266,884	247,689	1986	130,207	154.28
139,761	139,626	133,040	127,561	121,240	Various	70,769	154.39
246,860	244,585	232,540	227,623	210,237	1973	49,644	479.09
455,754	455,298	433,123	414,669	393,387	Various	238,373	103.82
717,011	711,251	320,057	297,230	276,031	1985	145,706	466.57
568,642	568,074	540,405	517,382	490,828	Various	313,461	92.74
551,859	547,425	509,897	471,568	437,935	1973, 2001	105,767	504.33
948,582	647,634	901,478	863,071	818,775	Various	724,950	39.64
551,859	547,425	509,897	471,568	437,935	1973, 2001	103,842	515.54
948,582	947,634	901,478	863,071	818,775	Various	724,950	39.64
1,471,013	1,459,194	1,113,837	1,034,397	960,623	1992, 1993, 1997	1,827,056	(7.04)
628,800	623,007	592,325	579,801	535,515	2001	436,529	87.84
1,096,280	1,091,302	1,028,298	984,591	934,181	Various	806,377	52.58
367,700	364,746	339,740	301,091	279,617	1973	68,666	517.08
141,655	141,513	134,620	128,885	122,270	Various	32,682	661.19
31,922,836	31,566,895	28,906,781	27,648,845	25,226,108		19,432,203	90.72
8,337,824	7,968,975	7,753,394	7,563,717	6,954,213		5,701,411	51.86

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

Vehicle/Program	Current Replacement Costs	2014	2013	2012	2011
Police					
Cost Per Patrol Car	\$29,929	\$29,149	\$0	\$0	\$25,472
Fire					
Cost Per Fire Pumper (1)	0	0	0	0	0
Cost Per Ambulance	0	0	0	0	210,878
Recreation					
Senior Transport Bus/Van	59,057	0	0	0	0
Service					
Mini-Excavator	43,628	0	0	0	0
Cost Per Vac All (2)	0	0	0	0	0
Cost Per Street Sweeper	0	0	0	0	0
Cost Per Salt Truck	0	0	0	0	0
Cost Per Water Utility Truck	0	0	0	0	0
Loader	0	0	0	0	125,017
2500 HD Chevy 4X4 Pick up	0	0	0	0	23,875
Dump Truck	0	0	0	0	100,527
Road Construction					
Ohio Department of Transportation Construction Cost Composite Index (3)	109.0	105	101	104.3	97.4

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.

2010	2009	2008	2007	2006
\$22,509	\$26,613	\$22,463	\$24,461	\$23,941
0	0	0	441,564	0
0	0	0	167,192	0
0	0	0	0	0
0	0	0	0	0
0	0	0	275,000	0
0	0	0	115,000	0
0	0	105,622	110,000	0
0	41,021	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
90.6	88.1	151.9	141.4	126.1

City of Bedford, Ohio
Water Utility Statistics
Last Ten Years

	2015	2014	2013	2012
Gallons of Water Purchased from Cleveland	66,345.60	83,279.73	84,388.60	79,091.76
Gallons of Water Sold (Billed) to Users	45,896.38	52,833.56	64,987.49	64,457.77
Percent of Water Billed	69.18%	63.44%	77.01%	81.50%
Water Billings	\$4,076,032	\$4,308,043	\$4,763,874	\$4,615,802
Water Collections	\$4,195,268	\$4,366,295	\$4,828,534	\$4,643,270
Percentage Collected from Billings	102.93%	101.35%	101.36%	100.60%
Payments to City of Cleveland	\$2,211,920	\$2,699,458	\$2,665,054	\$2,497,967
Percentage of payments to the City of Cleveland compared to total water collections	52.72%	61.82%	55.19%	53.80%
Collections over Cost of Water	47.28%	38.18%	44.81%	46.20%

Source: City of Bedford Water Department

2011	2010	2009	2008	2007	2006
98,281.42	110,165.44	96,955.60	95,405.00	95,465.00	89,658.00
61,514.58	64,072.93	62,823.09	65,901.00	69,612.00	67,949.50
62.59%	58.16%	64.80%	69.07%	72.92%	75.79%
\$3,949,865	\$4,288,675	\$3,896,479	\$3,632,402	\$3,422,229	\$2,932,256
\$4,381,620	\$4,341,474	\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122
110.93%	101.23%	101.50%	97.25%	100.69%	101.87%
\$2,810,055	\$3,447,605	\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957
64.13%	79.41%	72.54%	74.66%	72.74%	76.86%
35.87%	20.59%	27.46%	25.34%	27.26%	23.14%

