

## CITY OF BEDFORD, OHIO

### ANNUAL INFORMATION FILING FOR FISCAL YEAR 2015

The following provides, in accordance with the continuing disclosure agreements (the Continuing Disclosure Agreements) entered into by the City of Bedford, Ohio (the City), annual financial information and operating data for the City's fiscal year ended December 31, 2015 (Fiscal Year 2015), of the type included in the respective final official statements for its primary offerings of and issuances:

**\$9,890,000 Various Purpose Improvement Bonds, Series 2006**, dated as of November 1, 2006. Final Maturity December 1, 2027.

**\$5,090,000 Various Purpose Bonds, Series 2010**, dated September 9, 2010. Consisting of:

**\$2,125,000 Various Purpose Bonds, Series 2010A**. Final Maturity December 1, 2020

**\$2,965,000 Various Purpose Bonds, Series 2010B**. Final Maturity December 1, 2020.

**\$7,640,000 Various Purpose Improvement and Refunding Bonds, Series 2013**, dated May 15, 2013. Final Maturity December 1, 2038.

**\$2,900,000 Various Purpose Refunding Bonds, Series 2014**, dated December 23, 2014. Final Maturity December 1, 2036.

The applicable CUSIP number is 076347.

**The Annual Information Filing constitutes only the annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreements entered into at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2015 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. Further, no representation is made that the Annual Information Filing is indicative of financial or operating results of the City since the end of Fiscal Year 2015 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2015 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.**

Dated: June 30, 2016

**CITY OF BEDFORD, OHIO**

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## INTRODUCTORY STATEMENT

The City entered into the Continuing Disclosure Agreements pursuant to SEC Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the City of the bond issues identified on the cover page (collectively, the Bonds). The Continuing Disclosure Agreements require the City to provide annually financial information and operating data for its immediately preceding Fiscal Year of the type included in the final official statements for those offerings (collectively, the Official Statements). This Annual Information Filing provides such financial information and operating data for the City's Fiscal Year ended December 31, 2015.

All financial and other information in this Annual Information Filing has been provided by the City from its records, except for information expressly attributed to other sources. More complete information regarding laws, reports and documents referenced in this Annual Information Filing may be obtained by reviewing those laws, reports and documents. Subject to limited exceptions, records of the City are available for public inspection and copies may be obtained at cost upon request. Questions regarding information contained in this Annual Information Filing and requests for additional information or copies of documents should be directed to the Director of Finance of the City, at the address shown on the cover. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that the affairs of the City have not changed since the date of this Annual Information Filing.

The City's audited basic financial statements for Fiscal Year 2015 were filed with the Municipal Securities Rulemaking Board (MSRB) in an electronic format prescribed by the MSRB using the MSRB's Electronic Municipal Market Access (EMMA) platform on June 21, 2016. Those audited financial statements reflect implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27", GASB Statement No. 69 "Government Combinations and Disposals of Government Operations", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68", and are hereby incorporated by reference and made a part of this Annual Information Filing.

As used in this Annual Information Filing:

- **“Council”** means the Council of the City.
- **“County”** means the County of Cuyahoga, Ohio.
- **“County Fiscal Officer”** means the Fiscal Officer of the County.
- **“Debt charges”** means principal (including any mandatory redemption payments) of and interest and any redemption premium on the obligations referred to; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2015”) means the Fiscal Year ending on December 31 in that year.
- **“Revised Code”** means the Ohio Revised Code.

- “State” or “Ohio” means the State of Ohio.
- “State Budget Act” means Amended Substitute House Bill No. 64, passed by the Ohio General Assembly and signed by the Governor on June 30, 2015, providing State appropriations for its 2016-2017 biennium (the period from July 1, 2015 through June 30, 2017) and enacting other statutory provision.

## AD VALOREM PROPERTY TAXES AND SPECIAL ASSESSMENTS

### Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the City.

Collection Year	Real(a)	Public Utility(b)(c)	Total Assessed Valuation
2012	\$260,783,380	\$7,358,540	\$268,141,920
2013(d)	230,069,920	8,103,300	238,173,220
2014	226,953,360	8,776,990	235,730,350
2015	227,892,990	9,271,900	237,164,890
2016(e)	215,596,660	9,514,510	225,111,170

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Other than public utility.
- (c) The State reduced the valuation of tangible personal property of general businesses and railroads in increments beginning in 2006 to zero in 2009 and reduced the valuation of tangible personal property of telecommunications companies in increments beginning in 2007 to zero in 2011; see the discussion of those reductions and related State makeup payments below.
- (d) Reflects sexennial reappraisal.
- (e) Reflects triennial adjustment.

Source: County Fiscal Officer.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected on “Tangible Personal” in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of the preceding calendar year, and at the tax rates determined in the preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Pursuant to statutory requirements for sexennial reappraisals, in 2012 the County Fiscal Officer adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in the 2012 duplicate (collection year 2013) and in the ad valorem taxes distributed to the City in 2013 and thereafter. The County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Fiscal Officer last undertook such a triennial adjustment in 2015.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property

devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and the reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation as described above, eligible local governments have received reimbursement payments from the State to account for the loss of property tax revenue. Under the State Budget Act, such reimbursements have been combined and are to be distributed by the State to the county auditors in August and February. According to the Ohio Department of Taxation, the City received \$2,844 of such reimbursements in Fiscal Year 2015 allocable to the payment of debt service on the City's outstanding unvoted general obligation bond issues and is not expected to receive further such reimbursements after Fiscal Year 2017 for that purpose.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

These tax credits apply only to certain voted levies on real property, and do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt service on general obligation debt. These credits are discussed further following **Tax Table A**.

## **Tax Rates**

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The Charter provides that the maximum total tax rate that may be levied without a vote of the electors for all purposes is 10.00 mills. See **Indirect Debt and Unvoted Property Tax Limitations**.

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

**TAX TABLE A**  
**Overlapping Tax Rates**

<b>Collection Year</b>	<b>City</b>	<b>County(a)</b>	<b>School District</b>	<b>Total</b>
2012	21.70	20.80	71.30	113.80
2013	21.70	20.80	71.30	113.80
2014	21.70	22.53	70.82	115.05
2015	21.70	23.43	75.72	120.85
2016	21.70	23.43	75.72	120.85

- (a) Includes levies for the County, the Greater Cleveland Regional Transit Authority, the Cleveland-Cuyahoga County Port Authority, and Cuyahoga Community College District, all of which are coterminous with the County, and the Cleveland Metropolitan Park District and the Cuyahoga County Library District (see **Overlapping Governmental Entities** above).
- (b) The voters of the City authorized a 8.9-mill Safety Forces tax levy in November, 2009, for first collection in 2010.

Source: County Fiscal Officer.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- The proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year.
- Amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges, or from taxes levied inside the ten mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2016 tax collection year of 120.85 mills within the City (in the portion overlapping Bedford City School District) is reduced by reduction factors of 0.255509 for residential/agricultural property and 0.159468 for all other real property, which results in “effective tax rates” of 89.971811 mills for residential and agricultural property and 101.578297 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts are generally further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of the reimbursement by the State to taxing subdivisions for these reductions and related changes made by State legislation passed by the General Assembly in 2013.

The following are the rates at which the City levied property taxes for the general categories of purposes for recent years, both outside and inside the Charter tax rate limitation:

**TAX TABLE B  
City Tax Rates**

**Inside the Limitation**

Collection Year	Operating	Police and Fire Pension	Total
2012	21.10	0.60	21.70
2013	21.10	0.60	21.70
2014	21.10	0.60	21.70
2015	21.10	0.60	21.70
2016	21.10	0.60	21.70

See the discussion of the Charter tax limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

**Collections**

The following are the amounts billed and collected for City ad valorem property taxes on real and public utility property for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	<u>Delinquent</u>	
				Current	Accumulated
2011	\$5,861,322	\$5,301,685	90.45%	\$525,694	\$ 908,736
2012	5,832,805	5,353,259	91.78	349,718	818,604
2013	5,366,549	5,020,201	93.54	316,508	891,107
2014	5,143,389	4,615,212	89.73	343,930	1,003,154
2015	5,270,491	4,656,449	88.35	318,679	1,030,707

Source: County Fiscal Officer.

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. Homestead Exemptions have been available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner’s ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the City’s tax collections for 2015 was \$161,621 for the elderly/disabled homestead payment and \$324,954 for the rollback payment.

Legislation passed by the State’s General Assembly in 2013 made the Homestead Exemption subject to means testing beginning January 1, 2014, and eliminated the Property Tax Rollback Exemption and related reimbursements with respect to new or replacement tax levies

approved at elections after its effective date and for other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

### Special Assessments

The following are the amounts billed and collected for City special assessments for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2011	\$478,908	\$410,745	85.77%	\$103,821	\$400,948
2012	475,012	438,130	92.24	81,311	422,903
2013	434,009	408,899	94.21	79,355	411,982
2014	456,286	404,162	88.58	98,923	380,013
2015	483,397	414,116	85.67	117,451	364,650

Source: County Fiscal Officer.

### Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.



In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the City, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **Security and Sources of Payment**.

There were 5,263 nonexempt parcels in the City for collection year 2015, the number of delinquent parcels was 596, and foreclosure proceedings were commenced against 10 of those parcels.

There is no one taxpayer that accounted for more than 5% of any of the accumulated delinquencies, shown in the table above for tax collection year 2015.

### **OTHER MAJOR GENERAL FUND REVENUE SOURCES**

Major sources of revenue to the General Fund, in addition to ad valorem property taxes, have included the City's income tax and State local government assistance distributions. The Appendices provide further information regarding other revenue sources for the General Fund and other funds.

#### **Municipal Income Tax**

Ohio law authorizes a city or village to levy a municipal income tax on both corporate income and employee wages and salaries at a rate of up to 1% without voter authorization. An income tax rate in excess of 1% requires approval by the voters. In 1991 and 2000, City electors authorized an income tax at the rates of 1% and an additional 0.25%. The City, pursuant to Council action and that voter authorization, currently levies the tax at the rate of 2.25%. This tax on business income and individuals' salaries and wages is collected and administered by the City.

The tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council, or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the next preceding election, following initiated ordinance procedures. Under current law, the Council could reimpose a 1% tax without authorization by the electors.

Income tax proceeds, after payment of collection expenses, have been allocated by the Council for 2015 as follows: 90% to the General Fund and 10% to the Debt Service Fund for payment of debt charges. The ¼% income tax was passed by voters in November 1999 for collection in 2000 and beyond to pay the for the construction and debt service on the municipal complex including City Hall, and the construction and debt service associated with wastewater improvements constructed to the wastewater plant in 2000.

Annual income tax receipts (all at 2.25%) have been:

<b>Year</b>	<b>Receipts</b>	<b>Accumulated Delinquencies as of 6/30/2016</b>	<b>Accumulative Outstanding Delinquent Balance 6/30/2016</b>	<b>Outstanding Delinquency Balance by Year</b>	<b>Outstanding Delinquency % of Receipts as of 6/30/2016</b>
2011	\$ 9,724,277	\$1,210,110	\$ 587,527	\$145,038	1.49%
2012	10,294,721	1,125,793	762,849	175,322	1.70
2013	10,157,319	1,550,823	986,254	223,405	2.20
2014	10,697,349	1,488,497	1,313,048	326,794	3.05
2015	8,352,821	1,568,285	1,598,794	285,746	3.42
2016	3,945,929(a)	1,598,794	1,605,156	6,362	0.16

(a) Actual, As of June 30, 2016.

Residents are currently permitted a credit against their City income tax liability for amounts equal to 100% of the income tax paid (at the rate of up to 1.50%) on the same income to another municipal corporation.

Based on employer payments of corporate and withheld personal income taxes, the following employer contributed more than 5% of the City income taxes collected in 2015:

<b>Employer</b>	<b>Nature of Business</b>
West-Ward Pharmaceuticals*	Manufacturing of solid and injectable Pharmaceuticals, a subsidiary of Hikma Pharmaceuticals PLC

\* Ben Venue Laboratories (Ben Venue) had been the City's largest employer for many years. In December, 2013, Ben Venue ceased all manufacturing and terminated many of its employees at its Bedford site. In July, 2014, Hikma Pharmaceuticals (Hikma) (West-Ward Pharmaceuticals is the United States subsidiary group), announced that it would purchase substantially all of Ben Venue's Bedford assets. In December, 2015, West-Ward Pharmaceuticals sold the four buildings that were utilized for manufacturing and offices while owned by Ben Venue Laboratories to Xellia Pharmaceuticals (Xellia). West-Ward Pharmaceuticals maintained the Lab building for Research and Development of new products and at the year-end of 2015 Hikma had 65 employees on site. Hikma is self-described as "a fast growing multinational group focused on developing, manufacturing and marketing a broad range of both branded and non-branded generic and in-licensed products." Hikma does not manufacture their R & D products at the site in Bedford. Xellia at year end employed around 45 on site. Xellia is expected to expand operations and number of employees.

Certain of the income subject to the municipal income tax is also subject to the State income tax.

The City has recently increased collection efforts by hiring a tax collection law firm to assist with delinquencies, and contracting with the City of Cleveland's Central Collection Agency to match Federal tax return information to the City of Bedford's in order to enhance full collection efforts.

## STATE LOCAL GOVERNMENT ASSISTANCE FUNDS

Statutory-state level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds were:

<b>Year</b>	<b>Receipts</b>
2011	\$666,946
2012	456,494
2013	273,089
2014	336,052
2015	342,131

The amounts of and formula for distribution of these funds have been and may be revised from time to time.

## ESTATE TAXES

The State has distributed significant portions of the State estate tax to decedents' communities of residence. Due to the nature of this tax, the annual amounts received have varied significantly. The City received \$69,719 and \$12,923 from this source in 2014 and 2015. The City has credited these distributions to its General Fund. The State estate tax has been eliminated for decedents dying on or after January 1, 2013; however, distributions related to the estates of decedents dying before that date will continue until those estates are settled.

## NONTAX REVENUES

The City's General Fund also receives significant revenues from nontax sources (Nontax Revenues). The City's Nontax Revenues include: (a) certain grants from the United States of America and the State; (b) fines and forfeitures that are deposited in the General Fund; (c) fees deposited in the General Fund from properly imposed licenses and permits; (d) investment earnings that are credited or transferred to the General Fund; (e) proceeds from the sale of assets that are deposited in the General Fund; (f) rental income that is deposited in the General Fund; (g) gifts and donations; and (h) charges for services and payments received in reimbursement for services.

The following table summarizes historical collections for the past five years of the revenues identified by the City from its General Fund as Nontax Revenues. No assurance can be given that the collection of such Nontax Revenues will remain at the levels historically collected by the City.

**Historical Collections – General Fund Nontax Revenues (Cash Basis)**

Year	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Earnings(a)	Inter-governmental	Other	Total
2011	\$233,717	\$660,211	\$1,492,312	\$12,223	\$1,890,828	\$ 225,565	\$4,514,856
2012	204,056	483,247	1,679,291	12,310	1,353,303	338,287	4,070,494
2013	228,486	476,911	1,618,817	18,899	1,380,345	470,408	4,193,866
2014	201,753	617,156	1,607,061	28,676	1,332,384	471,438	4,258,468
2015	200,901	449,263	1,574,101	35,666	1,323,973	441,289	4,025,193
(a)	5.07%	12.76%	37.85%	0.51%	34.57%	9.24%	100%

(a) Approximate percentage of the total General Fund Nontax Revenues averaged over the years shown.

**Licenses and Permits.** Revenue in this category is derived from the issuance of occupancy permits and a variety of inspection permits. Fees charged to contractors for examinations, building plan reviews and various zoning fees are included in this category. Revenue is also generated from the issuance of operating licenses, including licenses for mechanical, burglar alarms, carnivals, birth and death certificates, and contractor registrations. Fees vary with the type of license or permit and are set by City ordinance.

**Charges for Services.** This category of revenue includes a variety of fees and charges collected by the City for the provision of services. The major services provided are ambulance runs, and housing of county prisoners.

**Fines and Forfeitures.** These revenues are derived from the Bedford Municipal Court fines and court fees, City fines, and parking violations.

**Investment Earnings.** The Director of Finance invests City funds pursuant to the Ohio Revised Code and the City’s Investment Policy. See **Financial Matters – Investments**. The City uses the General Fund to record all investment earnings and then distributes the earnings proportionately to various funds by their cash balances; whereby, most interest is allocated to the General Fund.

**Intergovernmental.** Revenues from this category include revenues from other governments (State and other Local agencies). This category of revenues includes: (STATE) trailer and homestead taxes, estate tax, cigarette tax, liquor tax, local government, State utility tax, (Local) Bedford Municipal Court reimbursement of expenditures, Lawn Cutting assessments, housing improvement assessments, and housing of County Prisoners. Beginning 2013, the estate tax will no longer be collected by the State of Ohio.

**Other.** This category includes a wide variety of types of revenue collected by City divisions. Due to the nature of these revenues, which frequently includes one time receipt of revenues, the total may fluctuate from year to year. Included in these totals are refunds, rental payments from leased land, and expenditure recoveries -revenue in this category is derived from reimbursements to the General Fund for costs and expenses it has incurred on behalf of other funds. These other funds include the Water and Wastewater Funds.

**CITY DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for general obligation debt and applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness of the City.

As used in the discussions that follow, BANs refers to notes issued in anticipation of the issuance of general obligation bonds.

Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The City does not have any outstanding industrial development revenue bonds or hospital facility revenue bonds for hospital facilities used by private nonprofit corporation from any of its funds.

The City is not, and to the knowledge of current City officials has not ever been, in default in the payment of debt charges on any of the bonds or notes on which the City is obligor or in a condition of default under any financing documents relating to any issue of revenue bonds.

### **Security for General Obligation Debt**

The following describes the security for City general obligation debt.

### **Bonds and BANs**

**Voted Bonds.** The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the Charter tax limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities).

As of December 31, 2015, the City had no voted general obligation bonds outstanding.

**Unvoted Bonds.** The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the Charter tax limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the Charter tax limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City.

**BANs.** Ohio law requires, while BANs are outstanding, the levy of an ad valorem property tax in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes (the maximum maturity for special assessment BANs is five years). Any period in excess of five years must be

deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

### **Statutory Direct Debt Limitations**

The Revised Code provides that:

- The net principal amount of both voted and unvoted debt of a city, excluding “exempt debt” (discussed below), may not exceed 10½% of the total tax valuation of all property in the city as listed and assessed for taxation.
- The net principal amount of the unvoted nonexempt debt of a city may not exceed 5½% of that valuation.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

A city’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt the City may issue is exempt from the direct debt limitations (“exempt debt”). Exempt debt includes, among others:

- General obligation debt:
  - That is “self-supporting” (that is, nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, museum and other public attractions, natural resource exploration, development, recovery, use or sale, correctional and other related rehabilitation.
  - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
  - In anticipation of the levy or collection of special assessments.
  - To pay final judgments or court-approved settlements.
  - That is voted for water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay amounts equal to debt charges to the city.
- Unvoted general obligation bonds to the extent that debt charges will be met from payments in lieu of taxes or from lawfully available municipal income taxes, to be applied to debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes anticipating the collection of current revenues or the proceeds of a specific tax levy.

- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City's assessed valuation.
- Debt issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.
- Debt issued for municipal educational and cultural facilities.
- Debt issued for the acquisition of property for public use in excess of that needed for a public improvement.

BANs issued in anticipation of exempt bonds also are exempt debt.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the City's Bond Retirement Fund, and based on outstanding debt and current tax valuation, the City's voted and unvoted nonexempt debt capacities as of December 31, 2015 were:

<b>Limitation</b>	<b>Nonexempt Debt Outstanding</b>	<b>Additional Debt Capacity Within Limitation</b>
10½% = \$23,636,672	\$5,053,500	\$18,583,172
5½% = \$12,381,114	\$5,053,500	\$ 7,327,614

This is further detailed in **Debt Table A**.

### **Indirect Debt and Unvoted Property Tax Limitations**

Voted general obligation debt may be issued by the City if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt such as the Bonds also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on (a) those bonds (or the bonds in anticipation of which BANs are issued) and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the City resulting in the highest tax required for such debt charges, in any year is 10.00 mills or less per \$1.00 of assessed valuation. This indirect debt limitation is imposed by the Charter.

In lieu of the ten-mill limitation briefly discussed below, the electors of a charter municipality such as the City may authorize the levy of a tax at a rate subject to a different limitation. The electors of the City have authorized the Council to levy each year a tax of up the

Charter tax rate limitation on all the taxable property in the City without further authorization from the electors, but subject to change by further action of the electors.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest annual debt charges estimated for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation since they are not general obligations, and the full faith and credit of the issuer is not pledged for their payment.

The indirect limitation applies to all unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from special assessments, utility earnings or other sources.

As of December 31, 2015, the total millage theoretically required by the City for its outstanding unvoted bonds was 8.2615 mills for the year of the highest potential debt charges. There thus remained 1.7385 mills within the Charter tax limitation which had yet to be allocated to debt charges by the City, and which is available to the City in connection with the issuance of additional unvoted general obligation debt.

In the absence of the Charter tax rate limitation, the applicable indirect debt limitation would be the product of what is commonly referred to as the “ten-mill limitation” imposed by a combination of provisions of the Ohio Constitution and of the Revised Code. The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied without elector approval on a single piece of property by *all* overlapping taxing subdivisions, with the 10 mills being allocated among certain overlapping taxing subdivisions (including the cities) pursuant to a statutory formula. The inside millage so allocated is required by Ohio law to be used first for the payment of debt charges on unvoted general obligation debt of the subdivisions (unless provision has been made for its payment from other sources) and the balance may be used for other purposes of the subdivisions. If the ten-mill limitation applied to the City (that is, if the City did not have the Charter tax rate limitation), unvoted obligations could not be issued by the City unless the tax required to be imposed in any one year would be 10 mills or less per \$1.00 of assessed valuation for payment of annual debt charges on those obligations (if BANs, the bonds in anticipation of which the BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax rate required for that debt charges. To the extent that this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation for that subdivision), the amount that would otherwise be available to that subdivision or to other overlapping subdivisions for general fund purposes would be reduced. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

## **Debt Outstanding**

The Debt Tables attached list the City’s outstanding debt represented by bonds and notes, with respect to City and overlapping general obligation debt allocations, and debt service.

The following table shows the principal amount of City general obligation debt (bonds and notes) outstanding as of December 31 in the years shown.



<b>Year</b>	<b>Exempt</b>	<b>Total, all Unvoted</b>
2011	\$11,600,400	\$16,370,000
2012	10,708,200	15,215,000
2013	13,931,000	20,155,000
2014	15,297,100	21,785,000
2015	12,461,500	17,515,000

### **Bond Anticipation Notes**

As of December 31, 2015, none of the debt of the City was in the form of BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City, or a combination of these sources.

### **Bond Retirement Fund**

The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements for recent years.

<b>Year</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>December 31 Balance</b>
2011	\$1,173,766	\$1,136,967	\$ 42,255
2012	1,347,041	1,276,568	112,729
2013	2,577,553	2,551,925	138,357
2014	2,234,776	2,157,772	215,361
2015	1,253,121	1,247,335	221,147

The City has historically paid debt service on bonds issued in anticipation of the collection of special assessments from the Special Assessment Bond Retirement Fund. If, as is often the case, collections of special assessments are insufficient to pay that debt service, those debt service payments are made from moneys advanced from the General Bond Retirement Fund. The Special Assessment Bond Retirement Fund is funded from special assessments collected from property owners benefited by the improvements financed. After certification by the City to the County Auditor, the special assessments, including interest on them at the rate borne by the bonds, are to be collected by the County Auditor during each year in which the bonds are payable. The following table is a summary of special assessment bond retirement fund receipts and disbursements for prior years.

<b>Year</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>December 31 Balance</b>
2011	\$97,251	\$89,030	\$65,138
2012	89,275	84,700	69,713
2013	70,659	65,370	75,002
2014	80,588	62,015	93,575
2015	72,909	63,660	102,824

### **Long-Term Financial Obligations Other Than Bonds and Notes**

The City, in 2010, entered into a loan agreement with the Ohio Public Works Commission (OPWC) pursuant to which OPWC provided funds to the City for improving

Broadway Avenue over Wood Creek-Culvert Replacement. The final loan amount from OPWC was \$518,349. The principal amount of the City's obligations under that loan agreement will require an annual principal payment amount of \$25,917 per year for 20 years with zero interest.

These payments are required to be made from City's General Obligation Bond Retirement Fund after transfers are made from the General Fund. The loan agreement grants no security or property interest to OPWC in any property of the City, and does not pledge the general credit of the City, or create a debt subject to the direct or indirect debt limitations, or require the application of the general resources of the City for repayment.

The City, in 2002, entered into a loan agreement with OPWC pursuant to which OPWC provided funds to the city for improving Grand Boulevard, Franklin Avenue, and Magnolia Avenue waterlines. The final loan from OPWC was \$454,000. The principal payment amount will be \$22,700 per year for 20 years with zero interest.

These payments are required to be paid from the city's water fund. The loan agreement grants no security or property interest to OPWC in any property of the City, and does not pledge the general credit of the City, or create a debt service subject to the direct or indirect limitations, or require the application of the general resources of the city for repayment.

The City, in 2009, entered into a loan agreement with OPWC pursuant to which OPWC provided funds to the City for improving The North field Road waterline. The final loan from OPWC was \$400,000. The principal payment amount is \$20,000 per year for 20 years with zero interest.

These payments are required to be paid from the City's water fund. The loan agreement grants no security or property interest to OPWC in any property of the city, and does not pledge the general credit of the City, or create a debt service subject to the direct or indirect limitations, or require the application of the general resources of the city for repayment.

The City, in 2003, entered into a loan agreement with OPWC pursuant to which OPWC provided funds to the City for improving The Oxidation Tower at the Wastewater Plant. The final loan from OPWC was \$822,286. The principal payment amount is \$41,114 per year for 20 years with zero interest.

These payments are required to be paid from the City's Waste Water fund. The loan agreement grants no security or property interest to OPWC in any property of the City, and does not pledge the general credit of the City, or create a debt service subject to the direct or indirect limitations, or require the application of the general resources of the city for repayment.

The City, in 2009, entered into a loan agreement with OPWC pursuant to which OPWC provided funds to the City for improving the sludge thickener at the Wastewater Plant. The final loan from OPWC was \$200,336. The principal payment amount is \$10,017 per year for 20 years with zero interest.

These payments are required to be paid from the City's Waste Water fund. The loan agreement grants no security or property interest to OPWC in any property of the city, and does not pledge the general credit of the City, or create a debt service subject to the direct or indirect limitations, or require the application of the general resources of the City for repayment.

The City, in 2003, entered into a loan agreement with Ohio Water Development Authority (OWDA) pursuant to which OWDA provided funds to the City for improving the Rapid Sandfilter at the Wastewater Plant. The final loan from OWDA was \$2,427,022. The interest rate per year for 20 years is at 3.90%.

These payments are required to be paid from the City's Waste Water fund. The loan agreement grants no security or property interest to OWDA in any property of the City, and does not pledge the general credit of the City, or create a debt service subject to the direct or indirect limitations, or require the application of the general resources of the city for repayment.

See Notes 2, 8 and 14 to the City's Basic Financial Statements for discussion of "compensated absences."

The City has no other long-term debt obligations, other than the bonds described above.

### **Retirement Expenses**

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The bills passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2, 2013. With certain transition provisions applicable to certain current employees, the bills increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent, and made other changes. The OP&F bill also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

City employees covered by OPERS now contribute at a statutory rate of 10.0% of earnable salary. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F currently contribute at a statutory rate of 11.50% of earnable salary, but will contribute at a rate of 12.25% of earnable salary beginning July 2, 2016. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are the maximums permitted under current State law.

For further information on these pension plans, see the Notes to the Basic Financial Statements previously filed on EMMA. Financial and other information for OPERS and OP&F, including their respective Comprehensive Annual Financial Reports, can also be found on their websites.

With the implementation of GASB Statement No. 68 and GASB Statement No. 71, as of January 1, 2015, the City will report a substantial net pension liability in its Basic Financial Statements for Fiscal Year 2015.

The City's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to under **Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

### **SUBSEQUENT EVENTS**

The City entered into a five year private placement Water Distribution Improvement Bond, Series 2016 bond issue on January 15, 2016 with Huntington Bank in the amount of \$1,400,000 and the interest rate is at 2.10% per year. This issue will pay for new residential water meters, installation of meters and software costs.

The City issued a Direct Placement Bond Financing on May 16, 2016 in the amount of \$ 6,728,750 with Key Government Finance, Inc. This issue is being issued to refund a portion of the 2006 General Obligation Various Purpose Bonds with a par amount of refunded bonds in the amount of \$6,680,000.

## DEBT TABLE A

### Principal Amounts of Outstanding Debt; Leeway for Additional Debt Within Direct Debt Limitations (as of December 31, 2015)

A.	Total debt:		\$17,515,000
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Income Tax	\$4,670,000	
	Sewer	4,560,000	
	Water	3,231,500	
	Total exempt debt:		\$12,461,500
C.	Total nonexempt debt [A minus B]:		\$ 5,053,500
D.	5½% of tax (assessed) valuation (unvoted nonexempt debt limitation):		\$12,381,114
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	\$5,053,500	
	Notes	0	\$ 5,053,500
F.	Debt leeway within 5½% unvoted debt limitation [D minus E]:		\$ 7,327,614(a)
G.	10½% of tax (assessed) valuation (voted and unvoted debt limitation):		\$23,636,672
H.	Total nonexempt bonds and notes outstanding:		
	Bonds	\$5,053,500	
	Notes	0	\$ 5,053,500
I.	Debt leeway within 10½% debt limitation [G minus H]:		\$18,583,172(a)

\* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

**DEBT TABLE B**

**Various City and Overlapping  
GO Debt Allocations (Principal Amounts)  
(as of December 31, 2015)**

	<b>Amount</b>	<b>Per Capita(a)</b>	<b>% of City's Current Assessed Valuation(b)</b>
City Nonexempt GO Debt	\$ 5,053,500	\$ 386.53	2.24%
Total City GO Debt (exempt and nonexempt)	17,515,000	1,339.68	7.78
Highest Total Overlapping GO Debt(c)	20,745,168	1,586.75	9.22

(a) Based on 2010 population of 13,074.

(b) The City's current assessed valuation is \$225,111,170.

(c) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of December 31, 2015 resulting in the calculation of highest total overlapping debt based on percent of tax valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

- \$1,999,980 County (0.82%);
- \$ 502,725 Bedford City School District (33.96%); and
- \$ 727,463 Greater Cleveland Regional Transit Authority (0.82%).

Source of tax valuation and GO debt figures for overlapping subdivisions: OMAC\*

\* Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

**DEBT TABLE C**

**Projected Debt Service Requirements on City GO Debt  
(as of December 31, 2015)**

Year	Total	Portion of Total Anticipated to be Paid from				Federal Direct Payment Relating To The Taxable Bonds(a)
		Limited, Ad Valorem Taxes	Sewer System Revenue	Income Tax Revenue	Water System Revenue	
2016	\$1,844,350	\$744,984	\$321,788	\$547,244	\$230,335	\$54,266.66
2017	1,859,750	500,108	362,888	767,844	228,911	54,266.66
2018	1,836,200	470,875	358,538	769,044	237,744	54,266.66
2019	1,830,050	467,860	358,550	769,244	234,397	54,266.66
2020	1,487,125	532,695	358,375	363,444	232,612	54,266.66
2021	1,480,463	532,110	355,638	362,844	229,871	54,266.66
2022	1,444,013	491,856	357,975	361,844	232,338	49,944.14
2023	1,388,038	482,220	305,650	365,444	234,724	46,203.50
2024	1,391,938	491,852	305,025	363,444	231,617	42,296.64
2025	1,384,438	485,677	304,275	366,044	228,442	38,306.64
2026	1,389,663	483,570	308,150	363,044	234,899	34,233.52
2027	1,128,363	273,606	301,725	369,644	183,388	29,369.40
2028	609,075	129,763	300,025	0	179,288	26,794.24
2029	493,975	11,200	302,738	0	180,038	24,219.14
2030	495,875	10,800	304,638	0	180,438	21,453.26
2031	496,000	10,400	300,238	0	185,363	18,687.38
2032	481,900	0	296,688	0	185,213	15,622.24
2033	482,900	0	297,988	0	184,913	12,754.88
2034	257,638	0	73,400	0	184,238	9,689.76
2035	259,200	0	75,800	0	183,400	6,624.64
2036	260,175	0	78,000	0	182,175	3,361.74
2037	85,775	0	0	0	85,775	0.00
2038	87,975	0	0	0	87,975	0.00

- (a) Payments expected to be received by the City from the Secretary of the United States Treasury with respect to bonds of the City that have been designated as "Build America Bonds" pursuant to Section 6431 of the Internal Revenue Code of 1986, as amended. These amounts are currently anticipated to be used to pay debt service on the Taxable Bonds and should be netted against anticipated revenues.

## DEBT TABLE D

### Outstanding GO Bonds(a) (as of December 31, 2015)

The following debt is reflected in **Debt Tables A, B and C.**

<b>Bonds</b>				
<b>Issue</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Principal Amount</b>	<b>Outstanding Principal Amount</b>
Various Purpose Improvement Bonds, Series 2006	11/01/2006	2027	\$9,890,000	\$7,140,000
Various Purpose Bonds, Series 2010	09/09/2010	2030	5,090,000	1,230,000
Various Purpose Improvement and Refunding Bonds, Series 2013	05/15/2013	2038	7,640,000	6,250,000
Various Purpose Refunding Bonds, Series 2014	12/23/2014	2036	2,900,000	2,895,000

- (a) Not included in this Table are City bond issues that have been refunded but have yet to be paid until they mature or are called for redemption in accordance with provisions of a related escrow agreement.



## APPENDIX A

### Comparative Cash-Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2011 through 2015

	2011	2012	2013	2014	2015
<i>Revenues</i>					
Income Tax	\$ 8,751,895	\$ 9,265,250	\$ 9,141,164	\$ 9,626,945	\$ 7,517,556
General Property Tax - Real Estate	2,216,183	1,965,462	1,827,964	1,903,012	1,902,073
Tangible Personal Property Tax	23	199	600	1,596	0
CAT Tax	106,967	0	0	0	0
Trailer & Homestead Tax	245,619	216,693	192,937	214,784	210,774
Inheritance Tax	187,773	164,628	278,169	69,719	12,923
Local Government & Revenue Assistance	666,946	456,494	273,089	336,052	342,131
Franchise Fee CABLE	145,570	160,012	152,317	145,611	155,832
Court Reimbursement & Fines	2,049,274	2,091,609	2,174,708	2,095,681	2,201,043
Ambulance Fees	250,000	275,000	275,000	275,000	274,827
Interest Earned	10,728	12,310	18,899	28,233	35,666
Building Department Fees	222,462	195,323	223,596	196,703	203,460
Police Department fees	41,275	70,270	81,707	64,965	104,343
Other	178,915	379,451	379,436	241,382	200,375
Total Operating Revenues	<u>\$15,073,630</u>	<u>\$15,252,701</u>	<u>\$15,019,587</u>	<u>\$15,199,683</u>	<u>\$13,161,003</u>
<i>Non Operating Revenues</i>					
Advances in	668,725	80,000	48,598	239,735	82,731
Special Assessments/Indirect Costs	140,000	151,544	300,000	300,000	300,000
Total Revenues	<u>\$15,882,355</u>	<u>\$15,484,245</u>	<u>\$15,368,185</u>	<u>\$15,739,418</u>	<u>\$13,543,734</u>
<i>Expenditures</i>					
Police/Police Admin 2010	\$ 1,797,621	\$ 1,950,268	\$ 1,867,330	\$ 1,961,351	\$ 2,016,067
Health Contract	52,592	50,204	50,204	51,250	51,250
Parks & Public Land	134,420	113,725	116,660	107,259	109,809
Planning Commission	2,234	2,573	2,417	3,251	3,193
Board of Zoning Appeals	0	0	0	0	0
Building	471,639	392,943	402,964	450,262	449,353
Refuse	686,387	698,639	702,318	716,061	704,208
Service	1,590,422	1,659,011	1,648,718	1,444,015	1,617,625
Council	290,842	315,706	333,533	321,855	328,693
Finance	741,250	763,727	735,347	763,952	769,143
Income Tax	250,502	267,453	268,274	252,083	261,760
City Manager	306,275	322,856	308,053	287,278	310,695
Law Department	226,306	258,242	228,620	125,776	201,683
Engineering	32,622	44,174	44,041	34,757	24,989
Municipal Court	2,026,788	2,067,412	2,117,133	2,115,749	2,166,205
Special Projects Fireworks	85,663	120,469	123,086	72,488	34,180
Civil Service Commission	1,190	12,803	6,648	12,258	5,300
Lands & Buildings	548,645	608,862	619,233	650,470	804,564
County Auditor Deductions	103,058	139,495	71,463	95,368	87,667
Tax Refunds	115,242	168,424	96,874	160,027	139,643
Transfers/Advances Out	5,199,306	4,920,909	5,255,565	5,362,383	5,397,442
Total Expenditures	<u>\$14,663,004</u>	<u>\$14,877,894</u>	<u>\$14,998,481</u>	<u>\$14,987,892</u>	<u>\$15,483,469</u>
Difference revenue over(under) expenses	1,219,351	606,351	369,705	751,526	\$ (1,939,735)
Cash Balance Beginning of Year	<u>\$ 6,598,329</u>	<u>\$ 7,817,680</u>	<u>\$ 8,424,031</u>	<u>\$ 8,793,736</u>	<u>\$ 9,545,263</u>
Cash Balance End of Year	<u>\$ 7,817,680</u>	<u>\$ 8,424,031</u>	<u>\$ 8,793,736</u>	<u>\$ 9,545,263</u>	<u>\$ 7,605,528</u>

**APPENDIX B**  
**All-Funds Summary 2015**  
**(Cash Basis)**

FUND DESCRIPTION	BEGINNING BALANCE	REVENUE	EXPENSE	UNEXPENDED BALANCE	OUTSTANDING ENCUMBRANCE	ENDING BALANCE
GENERAL FUND	\$3,745,262.76	\$13,543,734.00	\$15,483,469.05	1,805,527.71	126,977.67	1,678,550.04
GENERAL FUND RESERVE	5,800,000.00	0.00	0.00	5,800,000.00	0.00	5,800,000.00
CDBG	46,982.56	88,000.00	65,052.17	69,930.29	8,600.00	61,330.39
ECONOMIC DEVELOPMENT	72,503.83	111,095.58	178,657.94	4,941.47	0.00	4,941.47
STATE HIGHWAY	131,538.93	65,050.10	47,175.80	149,413.23	0.00	149,413.23
INDIGENT DRIVERS ALC	240,695.42	37,758.74	47,790.65	230,663.51	0.00	230,663.51
RECREATION	170,763.55	1,107,944.02	1,156,622.59	122,084.98	20,192.33	101,892.65
SEALE NARCOTICS TASK	146,678.96	312,334.41	313,556.09	145,457.28	0.00	145,457.28
CEMETERY	90,470.62	114,702.48	108,596.98	96,576.22	107.07	96,469.05
ENFORCEMENT & EDUCAT	3,842.35	602.85	0.00	4,445.20	0.00	4,445.20
STREET LIGHTING	182,268.82	320,785.01	362,498.71	140,555.12	0.00	140,555.12
STREET M & R	606,149.32	726,985.99	544,857.98	788,277.33	212,806.21	575,471.12
LAW ENFORCEMENT TRUS	14,484.07	34,449.63	2,698.88	46,234.82	0.00	46,234.82
MOTOR VEHICLE LICENS	186,474.55	88,228.86	86,800.00	187,903.41	90,000.00	97,903.41
FIRE EQUIPMENT	173,635.97	175,590.47	207,371.91	141,854.53	2,374.54	139,479.99
GRANTS FUND	153,939.72	125,481.04	190,447.13	88,973.63	0.00	88,973.63
FIRE MEDIC LEVY	63,999.47	3,186,056.02	3,140,486.10	109,569.39	6,031.08	103,538.31
HOUSING REHABILITATI	0.00	3,620.89	3,620.89	0.00	0.00	0.00
MUNI COURT SPECIAL P	287,216.92	132,896.41	65,408.61	354,704.72	0.00	354,704.72
HUD HOUSING REHABILI	20,083.56	88,500.00	108,583.56	0.00	0.00	0.00
INDIGENT INTERLOCK	81,236.87	17,261.88	7,342.50	91,156.25	0.00	91,156.25
SAFETY FORCES LEVY	135,345.04	2,463,049.68	2,416,555.43	181,839.29	0.00	181,839.29
B.M.C. LEGAL RESOURCE	13,344.59	17,476.50	23,720.89	7,100.20	0.00	7,100.20
REFUSE FEE ASSESSMENT	0.00	168.00	0.00	168.00	0.00	168.00
BOND RET. GEN OBLIG	215,360.59	1,253,120.99	1,247,334.80	221,146.78	0.00	221,146.78
BOND RET. S.A.	93,575.20	72,908.93	63,660.00	102,824.13	0.00	102,824.13
B.M.C. C.O.C. COMPUTERS	57,497.84	89,638.98	104,367.46	42,769.36	0.00	42,769.36
B.M.C. COMPUTER	30,037.48	17,668.00	37,373.63	10,331.85	0.00	10,331.85
CAPITAL IMPROVEMENTS	609,859.42	1,363.85	526,798.79	84,424.48	25,218.00	59,206.48
WATER	4,930,281.12	4,257,520.57	3,384,256.20	5,803,545.49	3,159.54	5,800,385.95
WASTEWATER	3,985,203.31	2,375,069.79	2,879,650.43	3,480,622.67	1,974,209.70	1,506,412.97
HEALTH INSURANCE RES	346,825.18	2,621,263.54	2,720,017.37	248,071.35	7,005.00	241,066.35
CEMETERY TRUST	43,629.44	235.27	0.00	43,864.71	0.00	43,864.71
POLICE PENSION	171,592.13	434,413.19	448,915.51	157,089.81	0.00	157,089.81
FIRE PENSION	125,735.16	502,043.54	545,881.39	81,897.31	0.00	81,897.31
STATE INSPECTION FEE	88.00	893.89	869.40	112.49	112.49	0.00
SEALE UNFORFEITED	170,739.75	25,538.00	49,020.00	147,257.75	0.00	147,257.75
<b>TOTAL:</b>	<b>\$23,147,342.50</b>	<b>34,413,451.10</b>	<b>36,569,458.84</b>	<b>20,991,334.76</b>	<b>2,476,793.63</b>	<b>18,514,541.13</b>