



**CITY OF BEDFORD  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2002**



**Auditor of State  
Betty Montgomery**



CITY OF BEDFORD  
CUYAHOGA COUNTY

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CITY OF BEDFORD  
CUYAHOGA COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed Through Ohio Department of Development</i>				
Community Development Block Grant - 2000 Gateway	CEO88356	14.218	\$38,282	\$50,252
Community Development Block Grant - Phase I Downtown	CEO88356	14.218	0	43,200
Community Development Block Grant - Lamson Avenue	CEO88356	14.218	150,000	137,422
Community Development Block Grant - Housing	CEO88356	14.218	34,000	50,496
Total U.S. Department of Housing and Urban Development			<u>222,282</u>	<u>281,370</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Grant	CUY-8-2.00	20.205	552,706	422,096
Total U.S. Department of Transportation			<u>552,706</u>	<u>422,096</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Direct Program:</i>				
Byrne Formula Grant Program (SEALE)	2001	16.579	66,169	76,121
Byrne Formula Grant Program (SEALE)	2002-2003	16.579	23,902	23,902
Total U.S. Department of Justice			90,071	100,023
<b>Total Federal Assistance</b>			<b><u>\$865,059</u></b>	<b><u>\$803,489</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**CITY OF BEDFORD  
CUYAHOGA COUNTY  
FISCAL YEAR ENDED DECEMBER 31, 2002**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Government's federal award programs. The schedule has been prepared on the cash basis of accounting.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of City of Bedford, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated July 9, 2003, wherein we noted the City implemented Government Accounting Standards Board Statements No. 34, 37, 38 and Interpretation No. 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated July 9, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 9, 2003.

This report is intended for the information and use of the management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 9, 2003





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of the City of Bedford, Cuyahoga County, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the City of Bedford, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated July 9, 2003, wherein we noted the City implemented Government Accounting Standards Board Statements No. 34, 37, 38 and Interpretation No. 6. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

July 9, 2003

CITY OF BEDFORD  
 CUYAHOGA COUNTY  
 FISCAL YEAR ENDED DECEMBER 31, 2002

SCHEDULE OF FINDINGS  
 OMB CIRCULAR A -133 § .505

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Program (list):	Highway Planning and Construction Grant / 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



# **City of Bedford, Ohio**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2002**



**City of Bedford, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended December 31, 2002*  
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# CITY OF BEDFORD OHIO

July 9, 2003

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

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ended December 31, 2002 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. 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 various funds of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The Comprehensive Annual Financial Report is presented in three sections:

**The Introductory Section** which includes a table of contents, this transmittal letter, a list of the City's principal officials, an organizational chart and the GFOA Certificate of Achievement.

**The Financial Section** which includes the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

**The Statistical Section** which includes selected financial and demographic information, generally presented on a multi-year basis.

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

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

## ***History of Bedford and Form of Government***

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

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

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

**The Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as DARE and the Juvenile diversion program. The Police Department is located in City Hall.

**The Fire Department** provides fire protection and emergency medical services (paramedic) to citizens, as well as placing strong emphasis on community involvement and education. A Chief and his assistant head the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall.

**The Service Department** is comprised of several divisions administered by a Director and the Public Works Director. The service department is responsible for the maintenance of all City vehicles, street signs and snow and leaf removal. The City purchases water in bulk from the City of Cleveland through master meters and then distributes the water to City residents through the City's water mains. The City owns and maintains the water mains and bills all water users for the consumption of water on a monthly basis. The City in the last ten years has invested heavily in the improvement of its water system to tighten it from leaks or any loss of water in the system. Therefore, billings to the public in line with payments for water usage to the City of Cleveland are more accurately reflected. Another service provided is the storm/sanitary sewers maintenance for proper drainage control. The department assists with the writing of recycling grants and overseeing the contractors that collect waste and process recyclables. The parks division is also under the direction of the service department and maintains parks. The City hired 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, the City continues to offer superior recreational facilities for its residents. The City operates four municipal playgrounds and tot lots, Hutchinson Soccer Field, a swimming pool, the Ellenwood Recreation and Senior Citizens Center (a former grade school building which has been converted to a municipal recreation and senior citizen activity center). Included within the parks are

the usual sports, playground and picnic facilities. The City abuts the Cuyahoga County Metroparks – Bedford Reservation Nature area. This provides even more recreational facilities including horseback riding trails, walking, hiking and biking trails and golf. The recreation department provides numerous courses and programs throughout the year. During summer months, the department operates the pool located on Lamson Drive where swimming lessons are also offered. The City owns the skateboard park also located on Lamson Drive.

**The Director of Economic Development** is responsible for promoting the City to businesses while creating jobs and development within the City. This department also has the responsibility of writing grants for all major projects to achieve proper funding levels.

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

**The 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.

### ***Economic Condition and Outlook***

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

The City established an enterprise zone, which included all land within the boundaries of the City of Bedford in April of 1990. The City established a community reinvestment area in 1997, which also included all land within the boundaries of the City of Bedford. The establishment of the enterprise zone and the community reinvestment areas gave the City the ability to maintain and expand business located in the City and create new jobs.

Ben Venue Laboratories, Inc., the City of Bedford's largest employer was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and is the nineteenth largest pharmaceutical company in the world having more than 28,000 employees with locations on every continent. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has recently invested tens of millions of dollars into two highly automated manufacturing facilities located in Mexico City, Mexico and Barcelona, Spain. On August 17, 2001, Ben Venue Laboratories was approved by the City for abatement in the community reinvestment area regarding real estate development and applied for a tax exemption on recovered property through the City's enterprise zone program. Ben Venue Laboratories has agreed to an expansion of its facilities by 165,000 square feet to expand its manufacturing operations of pharmaceutical products. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue has the number one market position in this core business and has the largest capacity for the manufacturing of lyophilized (freeze-dried) and vacuum-dried injectable drugs in the United States. Since 1995, Ben Venue obtained over seventy Abbreviated New Drug Applications ("ANDA") approvals for injectable drugs from the FDA, more than any other firm and has become a major player in the injectable pharmaceutical industry. Ben Venue wishes to continue to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the community.

Ben Venue had previously entered into two agreements with the City of Bedford for building expansions. The first agreement was in 1996. Ben Venue added over 50,000 square feet of office and plant expansion and committed to add 30 jobs over 60 months. Through June 30, 2001, or 5 years, Ben Venue has added 152 jobs for this project. The second agreement was in 1999 when Ben Venue added approximately 44,000 square feet of office and plant expansion and new filling line. Through June 30, 2001, or in just 2 years, Ben Venue has added much more than the 75 jobs it originally committed to add over 5 years. In the current abatement applications, Ben Venue has substantially completed the project and invested \$71.5 million to date on the site. Included in this investment to date is \$50 million for a new building and building improvements and \$20 million for machinery and equipment. The company will invest in the near future \$1 million in furniture and fixtures and \$14.5 million in increased inventory. Ben Venue created 125 jobs to date within a time frame of less than 2 years. They will increase this employment up to 300 new full time permanent jobs within 5 years and will retain 691 existing full time jobs at the projected sites. The annual payroll has increased approximately \$3,750,000 due to the new hires and the new employees in the future will lead to a total additional payroll of \$9 million and generate an additional \$202,500 in City income tax withholding. The annual payroll retained in existing jobs will be at \$26,766,804. The abatement agreement between the City of Bedford, the Bedford City School District, County and State of Ohio is as follows:

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

The City of Bedford takes pride in its downtown shopping area and promotes community and economic development opportunities for businesses. In the year 2002, the City applied for a Streetscape grant to completely rehabilitate the sidewalks and enhance the downtown with trees, brick pavers and lighting. Because of the City's commitment of enhancing the downtown area, building owners have followed suit. Craig Creager, of Creager Properties invested \$250,000 in renovating his building downtown. These building have been in urgent need of improvement. With this investment, four new upscale apartments have been created.

Arabica Café is a welcome addition to the downtown area as they updated and improved their building, investing \$250,000 in the 2,000 square foot facility, located in the heart of historic downtown Bedford. This investment will bring approximately 10 new jobs to the downtown.

Frankie D's, a bakery store, converted its business to both a restaurant and bakery in the downtown area. The owner invested approximately \$250,000 in this improvement.

Ampere Electric, an electrical contractor, purchased an old dilapidated building and renovated it, spending over \$500,000. Ampere is leasing this site and moved to another location and retained the 20 jobs in the City of Bedford throughout 2002.

Giant Eagle, a grocery chain, invested approximately \$2.2 million in its existing store located at 900 Northfield Road. This store is approximately 38,000 square feet.

Acura Volvo completed an \$800,000 total investment to their existing facility. With this investment they will create five new jobs and retain their existing payroll of \$2,555,428.

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

The City applied and received a grant in the amount of \$600,000 from Cuyahoga County for the improvement in the brownfield area known as Brush Wellmon Property. The City has applied for State of Ohio Issue I Fund in the amount of \$4 million using the County grant as a match to obtain these funds.

Prior to these applications, the City applied and received a grant in the amount of \$25,000 from Cuyahoga County for the soil testing of the Brush Wellmon Property. This property of approximately 50 acres has a good possibility of being developed in the near future with the aid of Brownfield monies and other possible grants.

The Five Points intersection, Powers Road widening, is the entrance to the downtown shopping area and this project would allow improved traffic flow. The cost is estimated to reach \$701,000 with \$200,000 being funded by the railroad for new gates and lights and the City has written a grant to defray this large cost for around \$320,000 while the City is expected to pay around \$181,000.

The City applied for a grant through the Ohio Department of Transportation for the resurfacing of Broadway Avenue. This project will be completed by O.D.O.T. at an estimated cost of \$950,000. The City's responsibility is 20 percent or \$190,000. The handicap ramps will be replaced at the City's expense of around \$80,000. This project will start in the early part of 2003.

Green Trails- Bike trails from the new municipal complex to the Viaduct Park and to the Cleveland Metroparks are being requested for construction under the Issue I grant program. Total estimated matching costs to be paid by the City would amount to about \$137,000.

The City was awarded a State of Ohio Issue II grant in the amount of \$400,000 to complete the reconstruction and rehabilitation of the historic downtown shopping area. The downtown sidewalks, curbs, streetlights and street corners will be replaced. Decorative lighting will replace the old light poles and lights.

Community Development Block Grant applications have been submitted to allow conduit and utility lines to be buried underground in the downtown historic district shopping area.

In 1999, the City issued \$5 million of general obligation bonds to partially fund the construction of a new municipal center. The City issued its final debt regarding the new municipal center. There were two issues in 2002, \$5.2 million related to the income tax increase and \$2 million that the Bedford Municipal Court has backed for payment with court fees. Final construction is on time and well in line with the projected budget. In conjunction with these bond sales, the City of Bedford received an upgraded rating from Moody's Investor Services in 1999 and maintained these ratings to date. The new rating from Moody's Investors Service was an A1 and Standard and Poor's awarded an A+ credit.

### ***Major Initiatives***

During 2002, the City completed or made substantial progress toward several major goals or projects. These projects enhanced the quality of life and helped the City to provide the highest level of service in a cost effective manner to all residents.

The City of Bedford was awarded a grant of \$150,000 from the CDBG program for the improvement of the downtown streetscape. The City also was awarded \$55,000 from the CDBG program for residential housing improvements. These improvements to eighteen houses were completed in 2002. The City applied for and received a CDBG Grant in the amount of \$150,000 for improvement of Lamson Avenue. This is a street that leads to the new municipal center complex. The project was completed at a cost of \$644,189 and included replacement of old bricks and some new water lines and sanitary lines.

The City administration prepared and, through Council, adopted the 2003 annual budget (appropriations) before December 31, 2002; 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 adopted once again the 5-year Capital Improvement Program.

The City was awarded a grant of \$108,955 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. The program was extended for three months to change the fiscal year end to a calendar year end grant. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year the total funding was \$257,045.

The service department increased spending on sidewalks and street improvements. The amounts expended were \$77,746 and \$417,437 respectively.

### ***Construction and Miscellaneous Projects:***

The prevailing wage reporting and review process was completed this year with a record number of contracts, twenty-two, that required precise examination of payroll records, rates of pay, verification of pay rates with the State of Ohio per employee and contract, benefit analysis per employee, lien recognition and verification of waivers of liens per each requested payment and entry of all payroll reported into our income tax system. Our tax collector, who is a lawyer and has extensive knowledge of labor law, completed these procedures.

The City completed the resurfacing of Turney Road at a total cost of \$501,234.

The City completed the new Signalization project in 2002. The total cost of the project was \$1,660,058. The City share of this project is expected to be \$198,724.

The Forbes Road Project was completed by the Cuyahoga County Engineer's office at a cost to the City of \$78,897.

The City completed the rubberized railroad Crossing projects at Turney Road and West Glendale at a cost of \$64,478.

The City construction with the Cleveland Metroparks completed the development at Viaduct Park and the Bedford Falls at a cost of \$358,231. The City of Bedford's portion of the contract is \$101,390.

The street lighting rate of millage was maintained for the third year at 1.2 mills, as industry moved in and values of properties increased.

The City realized its ninth year of wastewater saving from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5 percent more than City is charging today (over \$1,800,000 has been saved to date).

The Bedford Fire Department performed 1,534 ambulance runs in the year 2002. The ambulance runs generated a total of \$254,885, net of the administrative billing costs.

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

The City has applied for and received EPA loans for the Rapid Sand-filter system and the Oxidation Tower project in the amount of \$2,465,875 and \$2,100,000 respectively. The total cost to date as work is in progress amounted to \$1,730,723 and \$102,850 respectively.



The City received the full loan for the Rapid Sand-filter project at a rate of 4.8 percent over 20 years. The City received a grant for \$945,000, fifty percent, for the oxidation tower project and a zero percent loan for \$945,000. The City's matching portion towards the oxidation tower is \$210,000.

The Wastewater plant completed the cleaning and improvement of the Sludge Digester System. The cost of the project was \$254,640.

## ***Financial Information***

### ***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 fixed assets. The City utilizes a software package for utility billing developed by Fund Balance Inc.

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

The 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 2002.

The City Manager is authorized to transfer appropriations between line items within a department. Any increase in the total appropriation for 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, creates the encumbrance against the current sufficient unobligated budget to accept the encumbrance without a budget overrun. Encumbrances do not lapse at year-end and are a reserve of fund equity which is carried forward into the next year.

### ***Internal accounting and reporting control***

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

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed within the framework of the concept of reasonable assurance.

This concept recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal controls occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

## ***Financial Reporting***

The City has prepared financial statements under the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments". GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

*Government-wide financial statements* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

*Fund financial statements* These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Statement of budgetary comparisons* These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing Management's Discussion and Analysis of the City. This discussion appears after the Independent Accountants' Report in the financial section of this report. Management's Discussion and Analysis provides an assessment of the City's finances for 2002. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

### ***Financial Highlights – Internal Service Fund***

The only internal service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of vision, dental, prescription drug and hospital/medical benefits to the City employees. The internal service fund had net assets of \$193,871 at December 31, 2002 compared with net assets of \$37,680 at December 31, 2001, reflecting a change in net assets of \$156,191.

### ***Cash Management***

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital 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 interest earned during 2002 was \$533,814.

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

## ***Risk Management***

The City of Bedford's Finance Department coordinates comprehensive general liability, automobile physical damage and liability, property, fire fighters liability, fire fighters errors and omissions, excess umbrella, miscellaneous floater and money and securities insurance through the Ohio Municipal League Pool (OML). The City joined this pool in 1993. The City and OML pool use three important criteria for the Insurance Program:

- Cost
- Extended Coverage
- Continuity of Coverage and Carriers

The City carries a blanket bond on all employees for \$25,000 in line with collections and a faithful performance bond on the City's Director of Finance, Law Director and City Manager in the amount of \$100,000.

## ***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. Betty Montgomery, Auditor of State, performed these services for 2002 and an unqualified opinion is presented in the financial section.

## ***Certificate of Achievement***

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

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

A Certificate of Achievement is valid for a period of one year only. The 2001 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 2002 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, and the employees of the Local Government Services Section of the Auditor of State, which contributed significantly to the preparation of this report. Finally, City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

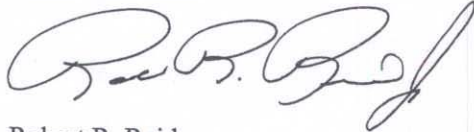
*Postscript*

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

Respectfully submitted,



Frank C. Gambosi, CPA  
Finance Director



Robert R. Reid  
City Manager

**City of Bedford, Ohio**  
*List of Principal Officials*  
*December 31, 2002*

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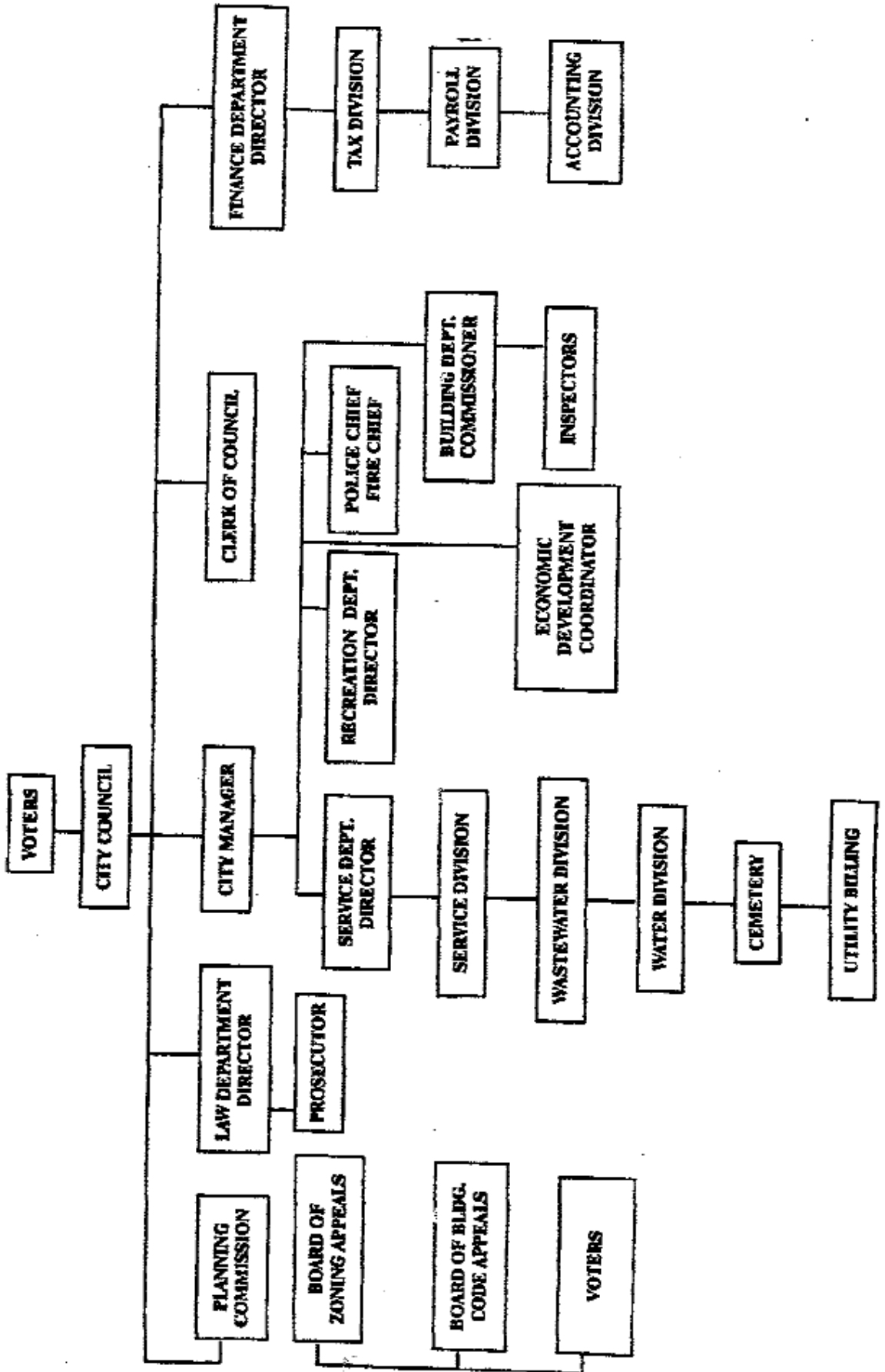
***Elected Officials***

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

***Appointed Officials***

City Manager ..... Robert R. Reid  
Director of Finance ..... Frank C. Gambosi  
Director of Law..... Kenneth A. Schuman  
Prosecutor ..... Kenneth A. Schuman  
Clerk of Council..... Gayle C. Pastor  
Building Commissioner ..... Philip A. Seybolt  
Service Director ..... Clint E. Bellar  
Superintendent of Public Works ..... Robert L. Duber  
Chief of Fire..... Kenneth A. Rybka  
Chief of Police ..... Richard Borowiak  
Director of Recreation ..... Randall J. Lewis

**ORGANIZATIONAL CHART  
CITY OF BEDFORD, OHIO**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



*William Patrick Bate*

President

*Jeffrey R. Enev*

Executive Director

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

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, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2002, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. The City also implemented GASB Statement No. 37, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules, and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 9, 2003

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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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, 2002. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's financial performance.

***Financial Highlights***

- Total assets of the City of Bedford exceeded its liabilities at the close of the most recent year by \$52,310,240 (*net assets*). Of this amount \$13,238,347 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets increased \$1,422,363 or a 2.79 percent increase from 2001.
- Total Assets of Governmental Activities increased by \$5,629,507, which represents an 8.79 percent increase from 2001.
- Total Capital Assets increased by \$11,886,214 or 29.32 percent over 2001.
- As of the close of the current year, the City of Bedford's governmental funds reported combined ending fund balances of \$17,632,626, a decrease of \$2,727,758 in comparison with the prior year. This was due to the payments to contractors in the construction of the new municipal complex. Approximately 80 percent of this fund balance is *available for spending* at the government's discretion (*unreserved fund balance*).
- The City of Bedford's total debt increased by \$4,576,382 (21.16 percent) during the current year. The key factors in this increase were the issuance of \$9,780,000 of general obligation bonds of which \$7,200,000 was for the construction of the new municipal center, \$725,000 was issued for sewer improvements and \$1,855,000 was issued for the refunding of two water fund improvement revenue bonds originally issued in 1991 and 1997. The City also increased its debt by obtaining funds associated with an Ohio Water Development Authority Loan for the Rapid Sandfilter improvements with the amount of \$1,468,955 being received to date. The total amount of the loan anticipated by the end of the project is not to exceed \$2,454,875.
- On a cash basis, City income tax collections have shown an average increase of 10.67 percent per year over the last five years.

***Overview of the Financial Statements***

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

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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

The *statement of net assets* presents information on all of the City of Bedford's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Bedford is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found starting on page 19 of this report.

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

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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The City of Bedford maintains twenty-seven individual governmental funds. 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, Special Assessment Bond Retirement debt service fund and the City Hall capital projects fund all of which are considered to be major funds. Data from the other twenty-four governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bedford adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided as supplementary information for each governmental and proprietary fund to demonstrate budgetary compliance.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater operations as they are considered major funds. The internal service fund is for self-insurance for health benefits.

The basic proprietary fund financial statements can be found on pages 27 through 30 of this report.

**Notes to the Basic Financial Statements** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 59 of this report.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 60 of this report.

### **Government-Wide Financial Analysis**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

**The City of Bedford as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2002 compared to 2001.

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Assets</b>						
Current and Other Assets	\$26,605,786	\$33,379,581	\$7,582,740	\$5,291,752	\$34,188,526	\$38,671,333
Capital Assets, Net	40,988,002	30,633,811	11,442,478	9,910,455	52,430,480	40,544,266
<i>Total Assets</i>	<u>67,593,788</u>	<u>64,013,392</u>	<u>19,025,218</u>	<u>15,202,207</u>	<u>86,619,006</u>	<u>79,215,599</u>
<b>Liabilities</b>						
Current and Other Liabilities	5,890,049	10,326,130	1,103,155	1,064,318	6,993,204	11,390,448
Long-Term Liabilities:						
Due Within One Year	662,158	550,635	750,500	636,454	1,412,658	1,187,089
Due in More than One Year	14,108,345	7,341,403	11,794,559	8,349,932	25,902,904	15,691,335
<i>Total Liabilities</i>	<u>20,660,552</u>	<u>18,218,168</u>	<u>13,648,214</u>	<u>10,050,704</u>	<u>34,308,766</u>	<u>28,268,872</u>
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Debt	27,844,368	24,089,603	1,185,779	1,261,644	29,030,147	25,351,247
Restricted:						
Capital Projects	4,707,736	8,293,005	0	0	4,707,736	8,293,005
Debt Service	1,629,549	1,612,756	0	0	1,629,549	1,612,756
Renewal and Replacement	0	0	1,196,296	911,718	1,196,296	911,718
Other Purposes	2,508,165	2,743,047	0	0	2,508,165	2,743,047
Unrestricted	10,243,418	9,056,813	2,994,929	2,919,291	13,238,347	11,976,104
<i>Total Net Assets</i>	<u>\$46,933,236</u>	<u>\$45,795,224</u>	<u>\$5,377,004</u>	<u>\$5,092,653</u>	<u>\$52,310,240</u>	<u>\$50,887,877</u>

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Bedford, total assets exceed total liabilities by \$52,310,240 at the close of the most recent year.

The largest portion of the City's net assets (55.50 percent) reflects investments in capital assets (eg. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$7,403,407 from 2001 to 2002, while the City's total liabilities increased by \$6,039,894. The most significant changes were a decrease in Equity in Pooled Cash and Cash Equivalents, where there was a decrease of \$4,254,629 and an increase in nondepreciable capital assets in the amount of \$12,193,147 during the year. These changes were due to the City paying construction costs to build the new municipal complex. The municipal construction was recorded as construction in progress as the project is not complete. Other items affecting the results were increases in property taxes, municipal income taxes and intergovernmental revenues. The increase in liabilities was mainly due to the issuance of \$9,780,000 of additional general obligation bonds. \$5,200,000 of this increase in general obligation debt is backed by a one-fourth of a percent municipal income tax increase to pay the debt to finance the construction of the new city hall and municipal complex facility, which is reflected in long-term liabilities due within more than one year. The Bedford Municipal Court also imposed a fee on court cases that will produce a revenue stream to pay for \$2,000,000 of these bonds. \$1,855,000 of general obligation bonds was issued to pay for refunding of the 1991 and 1997 revenue bond issues. These bonds allowed the City to obtain a cashflow savings of \$138,810. Bonds were issued for sewer improvements in the amount of \$725,000. These bonds will be paid from user charges. If the user charges are insufficient then the one-fourth of a percent income tax increase will be used. The City recorded an OWDA Loan in the amount of \$1,468,955. The debt is not due until the projects are complete; however as of the end of the year these funds were received as reimbursements and are to be considered committed debt.

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

Our total net assets of the City's governmental activities increased \$1,138,012 during the current year. Most of this increase is due to the increase in investment in capital assets. The decrease in capital project net assets is due to the cash outlay for the Municipal Complex construction. The balance of the increase in net assets is due to the degree in which resources in ongoing revenues have outstripped similar increases in ongoing expenses.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. However, since this is the first year the City has prepared financial statements following GASB Statement 34, revenue and expense comparisons to 2001 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

(Table 2)  
 Changes in Net Assets

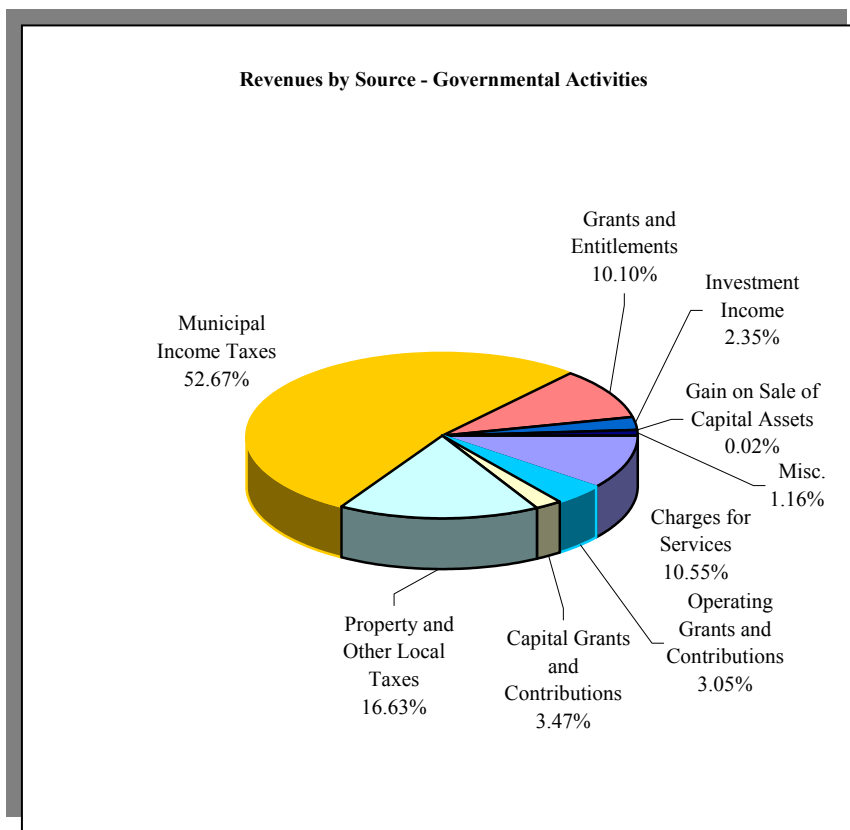
	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>			
<b><i>Program Revenues</i></b>			
Charges for Services	\$2,047,590	\$5,504,039	\$7,551,629
Operating Grants and Contributions	592,712	0	592,712
Capital Grants and Contributions	673,126	345,871	1,018,997
<i>Total Program Revenues</i>	<u>3,313,428</u>	<u>5,849,910</u>	<u>9,163,338</u>
<b><i>General Revenues</i></b>			
Property Taxes	3,228,368	0	3,228,368
Municipal Income Taxes	10,223,734	0	10,223,734
Grants and Entitlements not Restricted to Specific Programs	1,959,583	0	1,959,583
Investment Income	455,414	78,400	533,814
Gain on Sale of Capital Assets	3,000	0	3,000
Miscellaneous	227,074	176,593	403,667
<i>Total General Revenues</i>	<u>16,097,173</u>	<u>254,993</u>	<u>16,352,166</u>
<i>Total Revenues</i>	<u>19,410,601</u>	<u>6,104,903</u>	<u>25,515,504</u>
<b>Program Expenses</b>			
General Government	4,060,361	0	4,060,361
Security of Persons and Property			
Police	3,849,577	0	3,849,577
Fire	2,880,439	0	2,880,439
Public Health and Welfare	45,199	0	45,199
Leisure Time Activities	1,311,478	0	1,311,478
Community Development	1,019,191	0	1,019,191
Transportation	3,954,442	0	3,954,442
Basic Utility Services	787,321	0	787,321
Interest and Fiscal Charges	364,581	0	364,581
Water	0	3,396,720	3,396,720
Wastewater	0	2,423,832	2,423,832
<i>Total Program Expenses</i>	<u>18,272,589</u>	<u>5,820,552</u>	<u>24,093,141</u>
<i>Increase (Decrease) in Net Assets</i>	<u>\$1,138,012</u>	<u>\$284,351</u>	<u>\$1,422,363</u>



**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

**Governmental Activities**

Governmental activities increased the City's net assets by \$1,138,012, thereby accounting for 80.01 percent of the growth in total net assets. The primary reason for the increase in net assets relates to the increase revenues. Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.25 percent for 2002, 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 residents work in a locality that has a municipal income tax, the City provides up to 100 percent credit up to 1.50 percent for those who pay income tax to another City. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

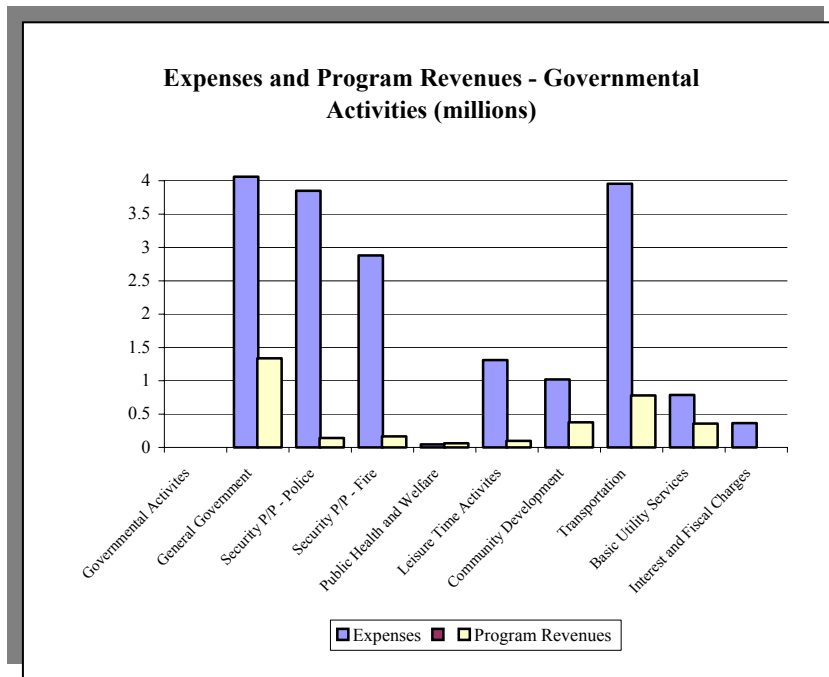


The income tax revenue for 2002 was \$10,223,734. Of the \$19,410,601 in total governmental revenues, income tax accounts for 52.67 percent of that total. Property taxes of \$3,228,368 account for 16.63 percent of total revenues, and operating grants, capital grants and contributions, general revenues from grants and entitlements account for 16.62 percent of total revenues, and charges for services, and other revenue make up the remaining 14.08 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program function for the City relates to the security of persons and property police and fire program expenses. During 2002, \$6,730,016 was spent or 36.83 percent of program expenses related to security of persons and property. The next largest function was for general government expenses. Most of these expenses were for the operations of the municipal court. In 2002, 22.22 percent of program expenses went for general government activities. The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. In 2002, 21.64 percent of program expenses were related to the transportation system.

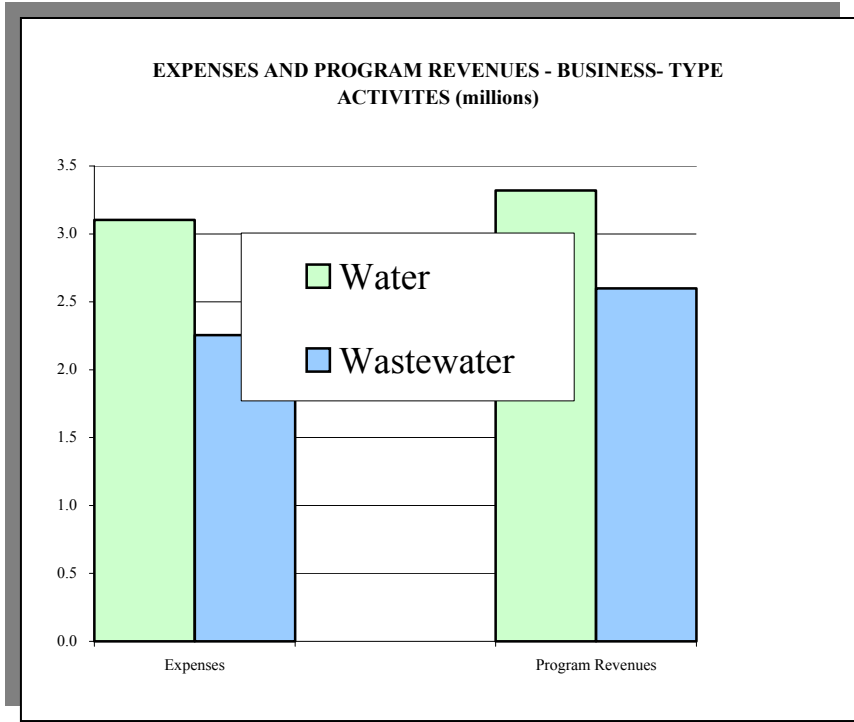
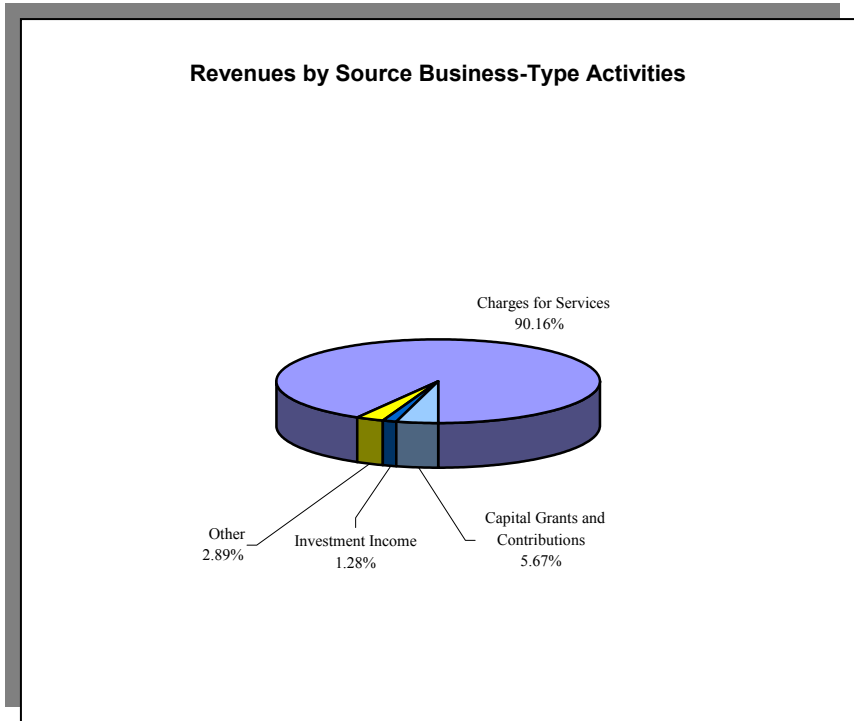


Leisure time activities, primarily the expenses for the Ellenwood Recreation Center and the outdoor pool, accounted for 7.18 percent of total program expenses, and slightly behind is community development at 5.58 percent of total program expenses. The community development expenses were mostly to account for grants related to the improvement of the downtown Bedford historic district.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

**Business-Type Activities**

The business-type activities of the City, which include the City's water and wastewater operations increased the City's net assets by \$284,351.



**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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Net program revenues were less than program expenses in the amount of \$139,689 for the water operations for 2002. This decrease in net assets is due to an overall decrease in revenue received in 2002. This revenue is classified as charges for services. The water system was sounded and leaks were repaired which was partially responsible for this 14.75 percent increase in charges for services. Net program revenues exceeded program expenses in the amount of \$169,047 for the wastewater operations for 2002. This increase in net assets is due to the sounding of the system above and keeping expenses down as construction continues on the Rapid Sandfilter project. The water business-type fund's budgetary reflects a large increase in revenue due to the proceeds of bonds issued in 2002 for advance refunding of two issues. The two issues defeased were a 1991 revenue bond series and a 1997 general obligation bond series. See Note 17 to the basic financial statements for more details of this transaction.

### **Financial Analysis of the Government's Funds**

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

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 22. These funds are accounted for by using the modified accrual basis of accounting

As of the end of the current fiscal year, the City of Bedford's governmental funds reported combined ending fund balances of \$17,632,626. Of that amount, \$14,019,573 constitutes unreserved fund balances, which is available for spending. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period in the amount of \$3,613,053.

All governmental funds had total revenues of \$19,240,323 and expenditures of \$29,171,081, leaving a difference of expenditures over revenues of \$9,930,758. The most significant changes in our funds during 2002 were the creation of the City Hall fund (Municipal Complex Construction) presented as a major fund and classified as a capital projects fund.

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 \$9,854,048 of which \$9,742,716 was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 95.70 percent of total general fund expenditures, while total fund balance represents 94.62 percent of that same amount. The unreserved fund balance of \$9,742,716 will cover 349 days of City expenditures in one year. This is another way to express the City general fund's liquidity. These numbers are important representation of the City's solid financial performance and condition.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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During the current year, the fund balance of the City's general fund increased by \$944,246. The increase in the general fund balance is due to the increase in collections of municipal income taxes in 2002. The income tax revenue in the general fund for 2002 was \$9,322,150. The amount of tax increase was \$1,293,426, or a 16.11 percent increase over 2001. The transfers-out of \$4,826,004 were sent to other funds for capital improvements and for various operating purposes. The excess of revenues over expenditures for the general fund for the current fiscal year is \$5,713,190.

### **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 2002, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$13,995,743. The final budgeted revenue amount was \$15,195,410. The general fund's original appropriations were budgeted at \$9,877,297. The final budgeted appropriations were \$10,020,007. The City of Bedford's ending unencumbered cash balance in the general fund was \$1,119,972 above the final budgeted amount.

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

- The most significant change was \$705,084 in additional revenue to increase amounts budgeted for municipal income tax collections. The business net profits taxes were substantially increased in collections due to our largest taxpayer making a one time additional payment to the City as their net income grew 25 percent in 2002.
- Additional revenue budgeted to the general fund for property and other taxes in the amount of \$229,557 were due to the inheritance taxes and local government funds increasing as the year progressed.
- An additional \$431,642 in transfers out was added to the original general fund budget due mostly to cover the increased costs of the Lamson Avenue project.
- An increase in estimated appropriations was necessary in the general government expenditures was mostly due to the purchase of a property for \$70,000 near the cemetery for the City's use.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

**Capital Assets and Debt Administration**

***Capital Assets***

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

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$2,756,565	\$2,620,291	\$28,620	\$28,620	\$2,785,185	\$2,648,911
Construction in Progress	11,883,926	1,681,090	2,026,526	172,489	13,910,452	1,853,579
Buildings and Improvements	1,654,074	1,691,171	3,068,815	3,168,894	4,722,889	4,860,065
Machinery and Equipment	1,729,312	1,763,471	1,607,066	1,893,078	3,336,378	3,656,549
Furniture and Fixtures	96,530	101,982	0	0	96,530	101,982
Vehicles	1,220,647	1,013,863	96,145	95,596	1,316,792	1,109,459
Infrastructure						
Roads	18,244,536	19,769,499	0	0	18,244,536	19,769,499
Traffic Signals	1,434,152	0	0	0	1,434,152	0
Storm Sewers	1,968,260	1,992,444	0	0	1,968,260	1,992,444
Water Lines	0	0	2,549,284	2,465,160	2,549,284	2,465,160
Sewer Lines	0	0	2,066,022	2,086,618	2,066,022	2,086,618
Total	<u>\$40,988,002</u>	<u>\$30,633,811</u>	<u>\$11,442,478</u>	<u>\$9,910,455</u>	<u>\$52,430,480</u>	<u>\$40,544,266</u>

Total capital assets for governmental activities of the City of Bedford for the year 2002 were \$40,988,002, \$10,354,191 more than in 2001. The most significant increases in our capital assets were in the categories of construction in progress, traffic signals, roads, vehicles and machinery and equipment. Some of the major projects in place included the new City hall construction and the downtown bedford historic district improvements. During 2002, the City received federal funding for traffic signalization. This included new computerized traffic lights, electrical wiring and poles. Capital assets for business-type activities were \$11,442,478, and increased by \$1,532,023 due to the City's ongoing sewer projects (a new Rapid Sandfilter and Oxidation Tower at the wastewater plant).

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 additional facilities to complement our current structures. Additional information concerning the City's capital assets can be found in Note 9 to the basic financial statements.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

**Debt**

As of December 31, 2002, the City of Bedford had governmental debt of \$13,754,567 in bonds, loans, pension and leases outstanding with \$489,052 due within one year. As of December 31, 2002, the City had business-type debt of \$12,444,516 in bonds and loans outstanding with \$746,828 due within one year.

(Table 4)  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
General Obligation Bonds	\$11,855,000	\$4,880,000	\$3,210,000	\$655,000	\$15,065,000	\$5,535,000
Special Assessment Bonds	850,000	915,000	120,000	155,000	970,000	1,070,000
Mortgage Revenue Bonds	0	0	1,070,000	1,145,000	1,070,000	1,145,000
OPWC Loans	722,711	770,900	49,979	54,122	772,690	825,022
OWDA Loans	0	0	7,994,537	6,945,504	7,994,537	6,945,504
Notes Payable	0	5,000,000	0	670,400	0	5,670,400
Police Pension	215,424	218,467	0	0	215,424	218,467
Capital Leases	111,432	213,308	0	0	111,432	213,308
<b>Total</b>	<b>\$13,754,567</b>	<b>\$11,997,675</b>	<b>\$12,444,516</b>	<b>\$9,625,026</b>	<b>\$26,199,083</b>	<b>\$21,622,701</b>

The General Obligation Bond Retirement bonds are composed of (1) a Municipal Complex Court bond issued in 2002 and repaid from court fees and the one-fourth of a percent increase in municipal income tax rate voted in by the public in 1998; (2) the 2002 Municipal Complex Improvement – this issue is repaid from the one-fourth of a percent income tax increase in rate also; (3) the 1999 Municipal Complex Improvement - this issue is repaid from the one fourth of a percent income tax increase in rate also; and (4) the Bedford Schools. The City is obligated to pay the School District the principal only on a sale of the old library building and its land at \$50,000 per year over a 4-year period. As of December 31, 2002 the balance for this bond is \$100,000.

The special assessment bonds consist of various street-resurfacing projects. The principal and interest for these bonds are paid from the collection of special assessments by the county auditor from the specific property owners who primarily benefit from the projects.

There are two OPWC loans that are being paid semi-annually from the debt service fund and funded by general fund revenues. These two loans are no interest 20-year loans for the Willard and Wandle Avenue street rehabilitation projects. The amounts outstanding as of December 31, 2002 were \$255,990, and \$466,721 respectively.

The Police pension liability loan is the unfunded portion of the pension due from employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2002 the balance was \$215,424.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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The Business-type debt consisted of the following:

The General Obligation Bond Retirement bonds are composed of (1) a sewer improvement bond issued in 2002; (2) the refunding bonds issued in 2002 were to pay off the water system mortgage revenue bonds outstanding from the 1991 issue – this new issue is to be repaid from the water rates and water bill collections; the second refunded issue in the amount of \$1.165 million was to pay off the general obligation bonds outstanding from the 1997 water issue. This new issue is to be repaid from the water rates and water bill collections; and (3) the \$630 thousand general obligation water bond issue 1997 as well as the 1991 \$1,070,000 water issues has been fully paid off on January 15, 2003 from the proceeds of the refunding bonds.

The special assessment bonds consist of the Krick Road water project. The principal and interest for these bonds are paid from the collection of special assessments by the county auditor from the specific property owners who primarily benefit from the project.

The OPWC loan is for the sewer plant improvements and the flow control project.

Most of the OWDA loans were for a refinancing loan of a previously issued Wastewater Plant improvement bond issues prior to 1994. The loan is for 20 years at 4.80 percent. The amount outstanding from this loan as of December 31, 2002 is \$7,300,077. The second loan is for the construction of the Rapid Sandfilter at the wastewater plant. The construction is in progress and the amount borrowed to date from construction is \$1,468,955.

State statues limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin was \$16,407,569 on December 31, 2002.

Additional information concerning the City's debt can be found in Notes 12, 14 and 15 to the basic financial statements.

### **Current Financial Related Activities**

The City of Bedford is financially strong as evidenced by Moody's Investors Service's affirmation of our A1 rating and Standard and Poor's affirmation of our A+ rating both awarded to the City in 2002.

The Administration and City Council developed a master plan for the development of our downtown area and the building or upgrading of City facilities as well as a 5-year capital improvement plan. As a result, we have seen a remarkable increase in our capital assets over that period of time. The year 2001 and into 2002, we broke ground and constructed the new municipal complex facilities consisting of three buildings, the City hall and court/police department connected by a hallway and the fire station, at a construction cost that will not exceed \$16,500,000, \$200,000 under the original budget of \$16,700,000.

On behalf of the City of Bedford we would like to thank our State Auditor, Ms. Betty Montgomery and her staff for their involvement and support in completing the GASB 34 statements. Ms. Montgomery and her local government staff have some of the most respected financial statement preparers, especially when preparing GASB 34 statements. They have lead the way in providing the necessary guidance to enable all communities the opportunity to reach a higher level of excellence.



**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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**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) 232-1600, or use our web site at [www.bedfordoh.gov](http://www.bedfordoh.gov).

**Basic Financial Statements**

**City of Bedford, Ohio**  
*Statement of Net Assets*  
*December 31, 2002*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$17,457,930	\$5,479,950	\$22,937,880
Cash and Cash Equivalents:			
Held by Trustee	0	162,863	162,863
with Fiscal Agents	570,760	78,024	648,784
Materials and Supplies Inventory	127,769	93,199	220,968
Accrued Interest Receivable	44,820	107	44,927
Accounts Receivable	56,636	1,042,162	1,098,798
Internal Balances	(20,222)	20,222	0
Intergovernmental Receivable	1,070,209	253,306	1,323,515
Prepaid Items	14,631	110	14,741
Income Taxes Receivable	1,965,425	0	1,965,425
Property Taxes Receivable	3,277,149	0	3,277,149
Special Assessments Receivable	1,820,170	120,000	1,940,170
Unamortized Bond Issuance Costs	220,509	332,797	553,306
Nondepreciable Capital Assets	14,640,491	2,055,146	16,695,637
Depreciable Capital Assets, Net	26,347,511	9,387,332	35,734,843
<i>Total Assets</i>	<u>67,593,788</u>	<u>19,025,218</u>	<u>86,619,006</u>
<b>Liabilities</b>			
Accounts Payable	149,825	22,055	171,880
Contracts Payable	345,718	613,056	958,774
Accrued Wages and Benefits	376,658	41,683	418,341
Intergovernmental Payable	621,807	44,342	666,149
Vacation Benefits Payable	595,783	69,277	665,060
Claims Payable	72,288	0	72,288
Deferred Revenue	3,077,963	0	3,077,963
Retainage Payable	570,760	78,024	648,784
Accrued Interest Payable	79,247	234,718	313,965
Long-Term Liabilities:			
Due Within One Year	662,158	750,500	1,412,658
Due In More Than One Year	14,108,345	11,794,559	25,902,904
<i>Total Liabilities</i>	<u>20,660,552</u>	<u>13,648,214</u>	<u>34,308,766</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	27,844,368	1,185,779	29,030,147
Restricted for:			
Capital Projects	4,707,736	0	4,707,736
Debt Service	1,629,549	0	1,629,549
Water Renewal and Replacement	0	1,196,296	1,196,296
Other Purposes	2,508,165	0	2,508,165
Unrestricted	10,243,418	2,994,929	13,238,347
<i>Total Net Assets</i>	<u>\$46,933,236</u>	<u>\$5,377,004</u>	<u>\$52,310,240</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$4,060,361	\$1,336,960	\$0	\$0
Security of Persons and Property				
Police	3,849,577	18,465	122,208	0
Fire	2,880,439	162,956	1,440	0
Public Health and Welfare	45,199	36,818	24,404	0
Leisure Time Activities	1,311,478	93,993	3,600	0
Community Development	1,019,191	139,293	0	238,144
Transportation	3,954,442	0	428,560	350,054
Basic Utility Services	787,321	259,105	12,500	84,928
Interest and Fiscal Charges	364,581	0	0	0
<i>Total Governmental Activities</i>	<u>18,272,589</u>	<u>2,047,590</u>	<u>592,712</u>	<u>673,126</u>
<b>Business-Type Activities</b>				
Water	3,396,720	3,257,031	0	0
Wastewater	2,423,832	2,247,008	0	345,871
<i>Total Business-Type Activities</i>	<u>5,820,552</u>	<u>5,504,039</u>	<u>0</u>	<u>345,871</u>
<i>Total</i>	<u>\$24,093,141</u>	<u>\$7,551,629</u>	<u>\$592,712</u>	<u>\$1,018,997</u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Other Purposes

Municipal Income Taxes Levied for:

    General Purposes

    Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year - See Note 3*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,723,401)	\$0	(\$2,723,401)
(3,708,904)	0	(3,708,904)
(2,716,043)	0	(2,716,043)
16,023	0	16,023
(1,213,885)	0	(1,213,885)
(641,754)	0	(641,754)
(3,175,828)	0	(3,175,828)
(430,788)	0	(430,788)
(364,581)	0	(364,581)
(14,959,161)	0	(14,959,161)
0	(139,689)	(139,689)
0	169,047	169,047
0	29,358	29,358
(14,959,161)	29,358	(14,929,803)
2,379,963	0	2,379,963
848,405	0	848,405
9,421,261	0	9,421,261
802,473	0	802,473
1,959,583	0	1,959,583
455,414	78,400	533,814
3,000	0	3,000
227,074	176,593	403,667
16,097,173	254,993	16,352,166
1,138,012	284,351	1,422,363
45,795,224	5,092,653	50,887,877
<u>\$46,933,236</u>	<u>\$5,377,004</u>	<u>\$52,310,240</u>

**City of Bedford, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2002*

	General	Special Assessment Bond Retirement	City Hall	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$9,067,699	\$246,464	\$4,170,490	\$3,707,118	\$17,191,771
Cash and Cash Equivalents					
With Fiscal Agents	0	0	520,496	50,264	570,760
Property Taxes Receivable	2,406,646	0	0	870,503	3,277,149
Income Taxes Receivable	1,965,425	0	0	0	1,965,425
Accounts Receivable	56,636	0	0	0	56,636
Intergovernmental Receivable	693,147	0	0	377,062	1,070,209
Accrued Interest Receivable	32,392	0	12,116	312	44,820
Materials and Supplies Inventory	86,676	0	0	41,093	127,769
Prepaid Items	14,135	0	0	496	14,631
Special Assessments Receivable	0	1,557,188	0	262,982	1,820,170
<i>Total Assets</i>	<u>\$14,322,756</u>	<u>\$1,803,652</u>	<u>\$4,703,102</u>	<u>\$5,309,830</u>	<u>\$26,139,340</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$31,647	\$0	\$34,468	\$83,710	\$149,825
Contracts Payable	0	0	345,718	0	345,718
Accrued Wages and Benefits	261,484	0	0	115,174	376,658
Intergovernmental Payable	166,664	0	0	12,867	179,531
Retainage Payable	0	0	520,496	50,264	570,760
Deferred Revenue	4,008,913	1,557,188	0	1,318,121	6,884,222
<i>Total Liabilities</i>	<u>4,468,708</u>	<u>1,557,188</u>	<u>900,682</u>	<u>1,580,136</u>	<u>8,506,714</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	111,332	0	2,795,702	706,019	3,613,053
Unreserved					
Undesignated, Reported in:					
General Fund	9,742,716	0	0	0	9,742,716
Special Revenue Funds	0	0	0	2,167,962	2,167,962
Debt Service Fund	0	246,464	0	84,136	330,600
Capital Projects Funds	0	0	1,006,718	771,577	1,778,295
<i>Total Fund Balances</i>	<u>9,854,048</u>	<u>246,464</u>	<u>3,802,420</u>	<u>3,729,694</u>	<u>17,632,626</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,322,756</u>	<u>\$1,803,652</u>	<u>\$4,703,102</u>	<u>\$5,309,830</u>	<u>\$26,139,340</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2002*

<b>Total Governmental Fund Balances</b>	<b>\$17,632,626</b>
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,988,002
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	199,186
Income Taxes	1,247,795
Charges for Services	31,839
Special Assessments	1,820,170
Intergovernmental	<u>507,269</u>
Total	3,806,259
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(442,276)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	
Net Assets	193,871
Internal Balances	<u>(20,222)</u>
Total	173,649
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	220,509
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(79,247)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(595,783)
Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(11,855,000)
Special Assessment Bonds	(850,000)
OPWC Loans	(722,711)
Police and Fire Liability	(215,424)
Capital Leases	(111,432)
Compensated Absences	<u>(1,015,936)</u>
Total	<u>(14,770,503)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$46,933,236</u></u>

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, 2002*

	General	Special Assessment Bond Retirement	City Hall	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property and Other Taxes	\$2,374,061	\$0	\$0	\$846,269	\$3,220,330
Municipal Income Taxes	9,322,150	0	802,473	0	10,124,623
Charges for Services	277,153	0	0	297,609	574,762
Fees, Licenses and Permits	138,320	0	0	393	138,713
Fines and Forfeitures	790,025	0	0	253,146	1,043,171
Intergovernmental	1,929,926	0	0	1,157,848	3,087,774
Special Assessments	0	113,705	0	260,976	374,681
Interest	150,879	6,902	179,615	111,799	449,195
Other	54,649	0	315	172,110	227,074
<i>Total Revenues</i>	<u>15,037,163</u>	<u>120,607</u>	<u>982,403</u>	<u>3,100,150</u>	<u>19,240,323</u>
<b>Expenditures</b>					
Current:					
General Government	3,588,172	0	0	0	3,588,172
Security of Persons and Property:					
Police	3,176,474	0	0	665,299	3,841,773
Fire	0	0	0	2,889,019	2,889,019
Public Health and Welfare	41,931	0	0	175,873	217,804
Leisure Time Activities	260,058	0	0	1,017,836	1,277,894
Community Development	340,560	0	0	731,801	1,072,361
Basic Utilities Services	447,605	0	0	281,445	729,050
Transportation	1,355,288	0	0	560,136	1,915,424
Capital Outlay	0	0	10,350,157	2,301,980	12,652,137
Debt Service:					
Principal Retirement	101,876	65,000	0	276,232	443,108
Interest and Fiscal Charges	12,009	57,169	3,609	246,635	319,422
Bond Issuance Costs	0	0	224,917	0	224,917
<i>Total Expenditures</i>	<u>9,323,973</u>	<u>122,169</u>	<u>10,578,683</u>	<u>9,146,256</u>	<u>29,171,081</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,713,190</u>	<u>(1,562)</u>	<u>(9,596,280)</u>	<u>(6,046,106)</u>	<u>(9,930,758)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	3,000	0	0	0	3,000
General Obligation Bonds Issued	0	0	7,200,000	0	7,200,000
Transfers In	54,060	0	257,215	5,053,319	5,364,594
Transfers Out	(4,826,004)	0	(412,385)	(126,205)	(5,364,594)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,768,944)</u>	<u>0</u>	<u>7,044,830</u>	<u>4,927,114</u>	<u>7,203,000</u>
<i>Net Change in Fund Balances</i>	944,246	(1,562)	(2,551,450)	(1,118,992)	(2,727,758)
<i>Fund Balances Beginning of Year - Restated (Note 3)</i>	<u>8,909,802</u>	<u>248,026</u>	<u>6,353,870</u>	<u>4,848,686</u>	<u>20,360,384</u>
<i>Fund Balances End of Year</i>	<u>\$9,854,048</u>	<u>\$246,464</u>	<u>\$3,802,420</u>	<u>\$3,729,694</u>	<u>\$17,632,626</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, 2002*

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**Net Change in Fund Balances - Total Governmental Funds** (\$2,727,758)

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

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

Capital Outlay	12,955,560
Depreciation	<u>(2,601,369)</u>

Total	10,354,191
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	8,038
Income Taxes	99,111
Charges for Services	31,839
Special Assessments	136,484
Intergovernmental	<u>(114,413)</u>

Total	161,059
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Other financing sources, such as proceeds of bonds, in the governmental funds increase long-term liabilities in the statement of net assets. (7,200,000)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 443,108

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 224,917

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

Accrued Interest on Bonds	(40,751)
Amortization of Issuance Costs	<u>(4,408)</u>

Totals	(45,159)
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Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable (which represent contractually required pension contributions) do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(121,573)
Vacation Benefits Payable	(50,628)
Pension Obligation	<u>(40,045)</u>

Total	<u>(212,246)</u>
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The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.

Change in Net Assets	156,191
Change in Internal Balance	<u>(16,291)</u>

Total	<u>139,900</u>
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*Change in Net Assets of Governmental Activities* \$1,138,012

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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$2,094,885	\$2,324,442	\$2,374,061	\$49,619
Municipal Income Taxes	8,636,294	9,341,378	9,760,176	418,798
Charges for Services	159,341	172,350	256,739	84,389
Fees, Licenses and Permits	117,262	126,835	144,135	17,300
Fines and Forfeitures	844,882	913,860	886,156	(27,704)
Intergovernmental	1,838,312	1,988,395	2,001,987	13,592
Interest	254,243	275,000	266,032	(8,968)
Other	50,524	53,150	54,984	1,834
<i>Total Revenues</i>	13,995,743	15,195,410	15,744,270	548,860
<b>Expenditures</b>				
Current:				
General Government	4,054,207	4,179,742	3,812,351	367,391
Security of Persons and Property:				
Police	3,224,347	3,224,347	3,182,501	41,846
Public Health and Welfare	41,931	41,931	41,931	0
Leisure Time Activities	301,715	301,715	278,251	23,464
Community Development	340,802	357,977	352,625	5,352
Basic Utility Services	525,000	525,000	447,605	77,395
Transportation	1,389,295	1,389,295	1,333,680	55,615
<i>Total Expenditures</i>	9,877,297	10,020,007	9,448,944	571,063
<i>Excess of Revenues Over Expenditures</i>	4,118,446	5,175,403	6,295,326	1,119,923
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	3,000	3,000	0
Transfers In	54,109	54,109	54,060	(49)
Transfers Out	(4,394,460)	(4,826,102)	(4,826,004)	98
<i>Total Other Financing Sources (Uses)</i>	(4,340,351)	(4,768,993)	(4,768,944)	49
<i>Net Change in Fund Balance</i>	(221,905)	406,410	1,526,382	1,119,972
<i>Fund Balance Beginning of Year</i>	7,133,906	7,133,906	7,133,906	0
Prior Year Encumbrances Appropriated	275,221	275,221	275,221	0
<i>Fund Balance End of Year</i>	\$7,187,222	\$7,815,537	\$8,935,509	\$1,119,972

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2002*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$349,612	\$2,079,042	\$2,428,654	\$266,159
Cash and Cash Equivalents with Fiscal Agents	0	78,024	78,024	0
Receivables:				
Accounts	618,499	423,663	1,042,162	0
Intergovernmental	0	253,306	253,306	0
Accrued Interest	107	0	107	0
Materials and Supplies Inventory	37,655	55,544	93,199	0
Prepaid Items	0	110	110	0
Unamortized Bond Issuance Costs	187,331	145,466	332,797	0
<i>Total Current Assets</i>	<u>1,193,204</u>	<u>3,035,155</u>	<u>4,228,359</u>	<u>266,159</u>
<i>Noncurrent Assets</i>				
Special Assessments Receivable	120,000	0	120,000	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	3,051,296	0	3,051,296	0
Cash and Cash Equivalents Held by Trustee	162,863	0	162,863	0
Nondepreciable Capital Assets	130,506	1,924,640	2,055,146	0
Depreciable Capital Assets, Net	2,615,907	6,771,425	9,387,332	0
<i>Total Noncurrent Assets</i>	<u>6,080,572</u>	<u>8,696,065</u>	<u>14,776,637</u>	<u>0</u>
<i>Total Assets</i>	<u>7,273,776</u>	<u>11,731,220</u>	<u>19,004,996</u>	<u>266,159</u>
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	2,640	19,415	22,055	0
Contracts Payable	356,313	256,743	613,056	0
Accrued Wages	15,968	25,715	41,683	0
Intergovernmental Payable	16,570	27,772	44,342	0
Vacation Benefits Payable	26,829	42,448	69,277	0
Retainage Payable	0	78,024	78,024	0
Compensated Absences Payable	887	2,785	3,672	0
Accrued Interest Payable	5,387	180,328	185,715	0
General Obligation Bonds Payable	60,000	15,000	75,000	0
Special Assessment Bonds Payable	40,000	0	40,000	0
OPWC Loans Payable	0	4,163	4,163	0
OWDA Loans Payable	0	517,665	517,665	0
Claims Payable	0	0	0	72,288
<i>Total Current Liabilities</i>	<u>524,594</u>	<u>1,170,058</u>	<u>1,694,652</u>	<u>72,288</u>
<i>Current Liabilities Payable from Restricted Assets</i>				
General Obligation Bonds Payable	30,000	0	30,000	0
Mortgage Revenue Bonds Payable	80,000	0	80,000	0
Accrued Interest Payable	49,003	0	49,003	0
<i>Total Current Liabilities Payable from Restricted Assets</i>	<u>159,003</u>	<u>0</u>	<u>159,003</u>	<u>0</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	21,537	75,354	96,891	0
General Obligation Bonds Payable	2,395,000	710,000	3,105,000	0
Mortgage Revenue Bonds Payable	990,000	0	990,000	0
Special Assessment Bonds Payable	80,000	0	80,000	0
OPWC Loans Payable	0	45,796	45,796	0
OWDA Loans Payable	0	7,476,872	7,476,872	0
<i>Total Long-Term Liabilities</i>	<u>3,486,537</u>	<u>8,308,022</u>	<u>11,794,559</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,170,134</u>	<u>9,478,080</u>	<u>13,648,214</u>	<u>72,288</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	1,113,744	72,035	1,185,779	0
Restricted for:				
Replacement and Improvement	1,196,296	0	1,196,296	0
Unrestricted	793,602	2,181,105	2,974,707	193,871
<i>Total Net Assets</i>	<u>\$3,103,642</u>	<u>\$2,253,140</u>	<u>5,356,782</u>	<u>\$193,871</u>

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

20,222

Net assets of business-type activities

\$5,377,004

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2002*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Operating Revenues</b>				
Charges for Services	\$3,094,179	\$2,247,008	\$5,341,187	\$1,538,275
Charges for Services Pledged as Security for Mortgage Revenue Bonds	162,852	0	162,852	0
Other	9,304	0	9,304	0
<i>Total Operating Revenues</i>	<u>3,266,335</u>	<u>2,247,008</u>	<u>5,513,343</u>	<u>1,538,275</u>
<b>Operating Expenses</b>				
Personal Services	400,990	771,561	1,172,551	0
Contractual Services	2,695,110	350,111	3,045,221	223,366
Materials and Supplies	34,506	120,807	155,313	0
Depreciation	44,710	441,494	486,204	0
Claims	0	0	0	1,164,937
Other	89,909	294,653	384,562	0
<i>Total Operating Expenses</i>	<u>3,265,225</u>	<u>1,978,626</u>	<u>5,243,851</u>	<u>1,388,303</u>
<i>Operating Income</i>	<u>1,110</u>	<u>268,382</u>	<u>269,492</u>	<u>149,972</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	26,253	52,147	78,400	6,219
Capital Grants	0	345,871	345,871	0
Interest and Fiscal Charges	(103,125)	(438,588)	(541,713)	0
Other Non-Operating Revenues	0	167,289	167,289	0
Other Non-Operating Expenses	(34,702)	(16,577)	(51,279)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(111,574)</u>	<u>110,142</u>	<u>(1,432)</u>	<u>6,219</u>
<i>Change in Net Assets</i>	<u>(110,464)</u>	<u>378,524</u>	<u>268,060</u>	<u>156,191</u>
<i>Net Assets Beginning of Year - Restated (Note 3)</i>	<u>3,214,106</u>	<u>1,874,616</u>		<u>37,680</u>
<i>Net Assets End of Year</i>	<u><u>\$3,103,642</u></u>	<u><u>\$2,253,140</u></u>		<u><u>\$193,871</u></u>

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

16,291

Change in net assets of business-type activities

\$284,351

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2002

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$3,151,000	\$2,196,074	\$5,347,074	\$0
Cash Received from Interfund Services Provided	0	0	0	1,539,888
Other Cash Receipts	9,304	0	9,304	0
Non-Operating Revenues	0	297,835	297,835	0
Cash Payments to Employees for Services	(391,085)	(751,933)	(1,143,018)	(223,366)
Cash Payments for Goods and Services	(2,373,475)	(199,126)	(2,572,601)	0
Cash Payments for Claims	0	0	0	(1,189,814)
Other Cash Payments	(89,909)	(294,653)	(384,562)	0
Non-Operating Expenses	(37,202)	(19,042)	(56,244)	0
<i>Net Cash Provided by Operating Activities</i>	<u>268,633</u>	<u>1,229,155</u>	<u>1,497,788</u>	<u>126,708</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants Received	0	92,565	92,565	0
Cash Received from Special Assessments	35,000	0	35,000	0
Proceeds from Sale of General Obligation Bonds	1,855,000	725,000	2,580,000	0
Proceeds from Loans	0	1,468,955	1,468,955	0
Principal Paid on General Obligation Bonds	(25,000)	0	(25,000)	0
Interest Paid on General Obligation Bonds	(37,331)	0	(37,331)	0
Principal Paid on Mortgage Revenue Bonds	(75,000)	0	(75,000)	0
Interest Paid on Mortgage Revenue Bonds	(38,284)	0	(38,284)	0
Principal Paid on Special Assessment Bonds	(35,000)	0	(35,000)	0
Interest Paid on Special Assessment Bonds	(7,720)	0	(7,720)	0
Principal Paid on Loans	0	(497,847)	(497,847)	0
Interest Paid on Loans	0	(347,892)	(347,892)	0
Principal Paid on Notes	0	(670,400)	(670,400)	0
Interest Paid on Notes	0	(21,788)	(21,788)	0
Bond Issuance Costs	(37,201)	(20,294)	(57,495)	0
Payments for Capital Acquisitions	(248,122)	(1,770,105)	(2,018,227)	0
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>1,386,342</u>	<u>(1,041,806)</u>	<u>344,536</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	<u>26,212</u>	<u>58,046</u>	<u>84,258</u>	<u>6,219</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,681,187	245,395	1,926,582	132,927
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,882,584</u>	<u>1,833,647</u>	<u>3,716,231</u>	<u>133,232</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,563,771</u>	<u>\$2,079,042</u>	<u>\$5,642,813</u>	<u>\$266,159</u>

(continued)

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2002

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$1,110	\$268,382	\$269,492	\$149,972
Adjustments:				
Depreciation	44,710	441,494	486,204	0
Non-Operating Revenues	0	297,835	297,835	0
Non-Operating Expenses	(37,202)	(19,042)	(56,244)	0
(Increase) Decrease in Assets:				
Accounts Receivable	(106,031)	(50,934)	(156,965)	1,613
Materials and Supplies Inventory	(2,812)	(1,320)	(4,132)	0
Prepaid Items	0	(110)	(110)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	2,640	16,479	19,119	0
Contracts Payable	356,313	256,743	613,056	0
Accrued Wages	1,961	3,225	5,186	0
Compensated Absences Payable	6,360	14,020	20,380	0
Intergovernmental Payable	1,584	2,383	3,967	0
Claims Payable	0	0	0	(24,877)
<i>Total Adjustments</i>	<u>267,523</u>	<u>960,773</u>	<u>1,228,296</u>	<u>(23,264)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$268,633</u>	<u>\$1,229,155</u>	<u>\$1,497,788</u>	<u>\$126,708</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2002*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$24
Cash and Cash Equivalents in Segregated Accounts	<u>150,897</u>
<i>Total Assets</i>	<u><u>\$150,921</u></u>

<b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$150,921</u></u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**Note 1 – Description of the City and Reporting Entity**

The City of Bedford was incorporated as a village in 1837. In 1932, the residents of the City adopted the City's first charter. The City is a home rule municipal corporation under the laws of the State of Ohio and 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, 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 an appointed official by the presiding Judge who has a fiduciary responsibility for the collection and distribution of court fees and fines. The Court Judges are elected by residents of the participating cities and work under the authority of the Chief Justices of the Supreme Court of Ohio.

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

**Note 2 - Summary of Significant Accounting Policies**

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

***A. Basis of Presentation***

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



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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

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

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

**B. Fund Accounting**

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

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

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

**Special Assessment Bond Retirement Fund** The special assessment bond retirement fund is used to account for the collection of special assessments levied against benefited properties for the payment of special assessment bond principal, interest and related costs.

**City Hall Fund** The City Hall fund accounts for note proceeds to be used for the construction of the new City Hall.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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

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

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

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

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

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

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

### ***C. Measurement Focus***

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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***E. Pooled Cash and Cash Equivalents***

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

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

The City utilizes a fiscal agent to hold monies set aside for current and future debt service payments under the provisions of the bond indenture. The balance in this account is presented on the statement of net assets as, "restricted assets – cash and cash equivalents held by trustee".

During 2002, investments were limited to repurchase agreements, non negotiable certificates of deposit, federal national mortgage association notes, federal home loan bank notes and STAROhio, the State Treasurer's Investment Pool.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the City hall capital projects fund during 2002 amounted to \$179,615, of which \$99,046 was assigned from other funds.

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

***F. Materials and Supplies Inventory***

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

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2002 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***H. Capital Assets***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

The City's infrastructure consists of roads, traffic signals, storm sewers and water and sewer lines.

***I. Interfund Balances***

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

***J. Compensated Absences***

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

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

***K. Accrued Liabilities and Long-term Obligations***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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

***L. Fund Balance Reserves***

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

***M. Net Assets***

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

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

***N. Operating Revenues and Expenses***

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

***O. Bond Issuance Costs***

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

***P. Deferred Loss on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of the sewer 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 new debt and is presented net of the OWDA loan payable on the statement of net assets.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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***Q. Interfund Activity***

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

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

***R. Extraordinary and Special Items***

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

***S. 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.

***T. 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 for the general fund and recreation fund and fund level for all other funds. Each fund is also budgeted at the object level of personal services and other expenditures. 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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the 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.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**Note 3 – Change in Accounting Principles and Restatement of Prior Year Fund Equity**

***A. Changes in Accounting Principles***

For 2002, the City of Bedford has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between business-type and governmental activities. Except as disclosed below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2001, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

***B. Restatement of Fund Balance/Equity***

At December 31, 2001 the business type activities has the following restatements. These restatements had the following effect on fund equity as it was previously reported.

	Water	Wastewater	Business-Type Activities
Fund Equity, December 31, 2001	\$3,086,623	\$1,946,192	\$5,032,815
Capital Assets	(34,132)	(63,384)	(97,516)
Deferred Revenue	113,396	0	113,396
Intergovernmental Payable	3,126	5,337	8,463
Compensated Absences Payable	44,718	(2,635)	42,083
Accrued Interest Payable	375	(10,894)	(10,519)
Internal Balances			3,931
Adjusted Net Assets, December 31, 2001	\$3,214,106	\$1,874,616	\$5,092,653



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

The implementation of these changes and the correction of prior amounts had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Special Assessment Bond Retirement	City Hall	Nonmajor	Total
Fund Balances					
December 31, 2001	\$9,114,557	\$296,877	\$6,416,370	\$4,952,068	\$20,779,872
Fund Reclassification	0	101,794	0	(101,794)	0
Property Taxes Receivable	(630,003)	0	0	(227,871)	(857,874)
Intergovernmental Receivable	(142,527)	0	0	(57,017)	(199,544)
Special Assessments Receivable	0	(150,645)	0	(252,851)	(403,496)
Intergovernmental Payable	180,610	0	0	363,266	543,876
Accrued Interest Payable	0	0	(62,500)	0	(62,500)
GASB Interpretation No. 6	387,165	0	0	172,885	560,050
Adjusted Fund Balance					
December 31, 2001	<u>\$8,909,802</u>	<u>\$248,026</u>	<u>\$6,353,870</u>	<u>\$4,848,686</u>	20,360,384
GASB 34 Adjustments:					
Capital Assets					30,633,811
Internal Service Fund					37,680
Internal Balance					(3,931)
Vacation Benefits Payable					(545,155)
Long-Term Liabilities					(7,892,038)
Pension Obligation					(402,231)
Accrued Interest Payable					(38,496)
Long-Term (Deferred) Assets					<u>3,645,200</u>
Governmental Activities Net					
Asset, December 31, 2001					<u>\$45,795,224</u>

**Note 4 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund 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).

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3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$944,246
Net Adjustment for Revenue Accruals	710,685
Ending Fair Value Adjustment for Investments	(3,578)
Net Adjustment for Expenditure Accruals	3,641
Encumbrances	<u>(128,612)</u>
Budget Basis	<u><u>\$1,526,382</u></u>

**Note 5 - Deposits and Investments**

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be invested in the following obligations:

1. United States treasury notes, bills, bonds, 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, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage

**City of Bedford, Ohio**  
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Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any 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.

Investments in stripped principal or interest obligations, reverse repurchase agreement, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the carrying amount of the City's deposits was \$17,143,888 and the bank balance was \$17,716,130. Of the bank balance:

1. \$1,058,633 was covered by Federal depository insurance, by collateral held by the City, or by collateral held by the City's agent in the name of the City; and
2. \$16,657,497 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements" requires that local governments disclose the market value and carrying amounts of investments, classified by risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the

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City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$4,338,346	\$4,338,346	\$4,338,346
Federal National Mortgage Association Notes	502,843	502,843	502,843
Federal Home Loan Bank Notes	499,970	499,970	499,970
STAROhio		1,415,401	1,415,401
<i>Total Investments</i>	<u>\$5,341,159</u>	<u>\$6,756,560</u>	<u>\$6,756,560</u>

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less and funds included within the City's cash management pool. A reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$23,900,448	\$0
Investments:		
Repurchase Agreements	(4,338,346)	4,338,346
Federal National Mortgage Association Notes	(502,843)	502,843
Federal Home Loan Bank Notes	(499,970)	499,970
STAROhio	(1,415,401)	1,415,401
GASB Statement No. 3	<u>\$17,143,888</u>	<u>\$6,756,560</u>

**Note 6 - Receivables**

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$1,540,744 in the special assessment bond retirement fund. At December 31, 2002 the amount of delinquent special assessments was \$117,916.

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**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2002 for real and public property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002 on the assessed value as of January 1, 2002 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

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. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2002 was \$12.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$219,599,500
Public Utility Tangible Property	45,366,712
Tangible Personal Property	<u>10,282,780</u>
Total	<u><u>\$275,248,992</u></u>

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.

Tangible personal property taxes paid by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Bedford. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the general fund, police pension, fire pension and fire medic levy special revenue funds and general obligation bond retirement fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

**City of Bedford, Ohio**  
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**B. Income Taxes**

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

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>Governmental Activities</b>	
Local Government	\$337,531
Homesteaded and Rollback	176,350
Grants	137,903
Court Costs	119,701
Gasoline Tax	100,704
Estate Tax	97,619
Permissive Tax	52,877
Excise Tax	42,011
Liquor Permits	5,513
Total Governmental Activities	1,070,209
<b>Business-Type Activities</b>	
Sewer Charges	253,306
Total All Activities	\$1,323,515

**Note 7 - Contingencies**

**A. Grants**

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally requires 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, 2002.

**B. Litigation**

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

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**Note 8 - Interfund Transfers**

Transfer To	Transfer From				Total
	General	City Hall	Municipal Court Special Programs	Viaduct Park	
General	\$0	\$0	\$0	\$54,060	\$54,060
City Hall	257,215	0	0		257,215
Other Governmental Funds:					
Community Development					
Block Grant	367,626	0	0	0	367,626
Enterprise Zone	115,085	0	0	0	115,085
Recreation	960,000	0	0	0	960,000
Cemetery	102,585	0	0	0	102,585
Street Construction					
Maintenance and Repair	280,925	0	0	0	280,925
Grants	3,600	0	0	0	3,600
Fire Medic Levy	1,583,575	0	0	0	1,583,575
Police Pension	269,715	0	0	0	269,715
Fire Pension	290,715	0	0	0	290,715
General Obligation					
Bond Retirement	510,575	0	0	0	510,575
Viaduct Park	1,018	0	0	0	1,018
Capital Improvement	83,370	412,385	72,145	0	567,900
<b>Total</b>	<b>\$4,826,004</b>	<b>\$412,385</b>	<b>\$72,145</b>	<b>\$54,060</b>	<b>\$5,364,594</b>

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. The transfer from the City hall capital projects fund to the capital improvement capital projects fund was for the construction of the new municipal complex. The transfer from the municipal court special programs special revenue fund to the capital improvement capital projects fund was to pay the Court's portion of the bond issuance costs. The viaduct capital projects fund transfer to the general fund was to close the viaduct fund.

**City of Bedford, Ohio**  
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**Note 9 – Capital Assets**

A summary of changes in capital assets during 2002 follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,620,291	\$136,274	\$0	\$2,756,565
Construction in Progress	1,681,090	10,202,836	0	11,883,926
<i>Total Capital Assets Not Being Depreciated</i>	<u>4,301,381</u>	<u>10,339,110</u>	<u>0</u>	<u>14,640,491</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	3,792,213	38,392	0	3,830,605
Machinery and Equipment	2,477,570	109,290	0	2,586,860
Furniture and Fixtures	252,567	13,633	0	266,200
Vehicles	2,996,590	443,132	(4,316)	3,435,406
Infrastructure:				
Roads	37,028,743	525,216	0	37,553,959
Traffic Signals	0	1,463,420	0	1,463,420
Storm Sewers	2,377,443	23,367	0	2,400,810
<i>Total Capital Assets Being Depreciated</i>	<u>48,925,126</u>	<u>2,616,450</u>	<u>(4,316)</u>	<u>51,537,260</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,101,042)	(75,489)	0	(2,176,531)
Machinery and Equipment	(714,099)	(143,449)	0	(857,548)
Furniture and Fixtures	(150,585)	(19,085)	0	(169,670)
Vehicles	(1,982,727)	(236,348)	4,316	(2,214,759)
Infrastructure:				
Roads	(17,259,244)	(2,050,179)	0	(19,309,423)
Traffic Signals	0	(29,268)	0	(29,268)
Storm Sewers	(384,999)	(47,551)	0	(432,550)
<i>Total Accumulated Depreciation</i>	<u>(22,592,696)</u>	<u>(2,601,369) *</u>	<u>4,316</u>	<u>(25,189,749)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>26,332,430</u>	<u>15,081</u>	<u>0</u>	<u>26,347,511</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$30,633,811</u>	<u>\$10,354,191</u>	<u>\$0</u>	<u>\$40,988,002</u>
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	172,489	1,854,037	0	2,026,526
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$201,109</u>	<u>\$1,854,037</u>	<u>\$0</u>	<u>\$2,055,146</u>



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	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	\$5,160,150	\$0	\$0	\$5,160,150
Machinery and Equipment	6,185,036	24,291	0	6,209,327
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	263,029	16,453	0	279,482
Infrastructure:				
Water Lines	2,923,138	117,981	0	3,041,119
Sanitary Sewer Lines	2,577,869	5,465	0	2,583,334
<i>Total Capital Assets, Being Depreciated</i>	<u>17,202,994</u>	<u>164,190</u>	<u>0</u>	<u>17,367,184</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,991,256)	(100,079)	0	(2,091,335)
Machinery and Equipment	(4,291,958)	(310,303)	0	(4,602,261)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(167,433)	(15,904)	0	(183,337)
Infrastructure:				
Water Lines	(457,978)	(33,857)	0	(491,835)
Sanitary Sewer Lines	(491,251)	(26,061)	0	(517,312)
<i>Total Accumulated Depreciation</i>	<u>(7,493,648)</u>	<u>(486,204)</u>	<u>0</u>	<u>(7,979,852)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>9,709,346</u>	<u>(322,014)</u>	<u>0</u>	<u>9,387,332</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$9,910,455</u>	<u>\$1,532,023</u>	<u>\$0</u>	<u>\$11,442,478</u>

\* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	
Police	\$92,553
Fire	89,853
Public Health	675
Leisure Time Activities	69,991
Basic Utilities	58,271
Transportation	2,190,501
General Government	99,525
Total	<u>\$2,601,369</u>

## Note 10 - Defined Benefit Pension Plans

### A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee

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retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to OPERS for the years ended December 31, 2002, 2001 and 2000 were \$426,070, \$409,458 and \$319,285, respectively. The full amount has been contributed for 2000 and 2001. 67.21 percent has been contributed for 2002, with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

***B. Ohio Police and Fire Pension Fund***

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. For 2001, the City contributions were 12 percent for police and 16.5 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$263,194 and \$280,431 for the year ended December 31, 2002, \$719,471 for the year ended December 31, 2001, \$714,456 for the year ended December 31, 2000. The full amount has been contributed for 2000 and 2001. 71.44 percent and 67.10 percent, respectively, have been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2002, the unfunded liability of the City was \$215,424 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

**Note 11 – Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5 percent was

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the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$249,164. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.50 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$173,596 for police and \$133,744 for fire. The OP&F's total health care expense for the year ended December 31, 2001 (the latest information available) was \$122,289,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, (the latest information available) was 13,174 for police and 10,239 for firefighters.

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**Note 12 - Long-term Obligations**

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

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
<b>General Obligation Bonds</b>				
City Hall	1999	2019	3.85-5.45 %	\$5,000,000
Bedford Schools	2000	2005	0.00	200,000
City Hall	2002	2027	3.0-5.0	5,200,000
City Hall Court	2002	2027	1.7-5.0	2,000,000
<b>Special Assessment Bonds</b>				
Palmetto	1985	2005	9.75	282,000
Rockside Road Water	1988	2008	7.50	195,300
Rockside Road Sanitary	1988	2008	7.50	21,700
Northfield and Rockside Resurfacing	1993	2012	6.50-6.40	250,000
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<b>Ohio Public Works Commission Loans</b>				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
<b>Police Pension</b>	1968	2035	4.25	245,922
<b>Enterprise Funds</b>				
<b>General Obligation Bonds</b>				
<i>Water</i>				
Water System	1997	2017	4.00-5.875	750,000
Water Refunding #1	2002	2017	1.45-4.65	690,000
Water Refunding #2	2002	2012	1.45-3.95	1,165,000
<i>Sewer</i>				
Sewer Improvement	2002	2022	3.00-5.00	725,000
<b>Mortgage Revenue Bonds</b>				
<i>Water</i>				
Water System	1991	2012	5.00-6.75	1,650,000
<b>Special Assessment Bonds</b>				
<i>Water</i>				
Krick Road Water	1995	2005	6.625-5.15	335,000
<b>Ohio Public Works Commission Loan</b>				
<i>Sewer</i>				
Flow Control	1995	2015	0.00	83,265
<b>Ohio Water Development Loans</b>				
<i>Sewer</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	n/a	0.00	1,468,955

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*Notes to the Basic Financial Statements*  
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Changes in long-term obligations during the year ended December 31, 2002, consisted of the following:

	Balance 12/31/01	Increase	Decrease	Balance 12/31/02	Amounts Due in One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
City Hall	\$4,730,000	\$0	\$175,000	\$4,555,000	\$180,000
City Hall	0	5,200,000	0	5,200,000	35,000
Bedford Schools	150,000	0	50,000	100,000	50,000
City Hall Court	0	2,000,000	0	2,000,000	0
<i>Total General Obligation Bonds</i>	<u>4,880,000</u>	<u>7,200,000</u>	<u>225,000</u>	<u>11,855,000</u>	<u>265,000</u>
<i>Special Assessment Bonds</i>					
Palmetto	60,000	0	15,000	45,000	15,000
Rockside Road Water	76,500	0	9,000	67,500	9,000
Rockside Road Sanitary	8,500	0	1,000	7,500	1,000
Northfield and Rockside Resurfacing	165,000	0	10,000	155,000	10,000
Northfield and Rockside Resurfacing #2	605,000	0	30,000	575,000	30,000
<i>Total Special Assessment Bonds</i>	<u>915,000</u>	<u>0</u>	<u>65,000</u>	<u>850,000</u>	<u>65,000</u>
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	278,250	0	22,260	255,990	22,260
Wandle Avenue	492,650	0	25,929	466,721	25,929
<i>Total Ohio Public Works Commission Loans</i>	<u>770,900</u>	<u>0</u>	<u>48,189</u>	<u>722,711</u>	<u>48,189</u>
<i>Other Long-Term Obligations</i>					
Police Pension	218,467	0	3,043	215,424	3,174
Capital Leases Payable	213,308	0	101,876	111,432	107,689
Compensated Absences Payable	894,363	353,505	231,932	1,015,936	173,106
<i>Total Other Long-Term Obligations</i>	<u>1,326,138</u>	<u>353,505</u>	<u>336,851</u>	<u>1,342,792</u>	<u>283,969</u>
<i>Total Governmental Activities</i>	<u><u>\$7,892,038</u></u>	<u><u>\$7,553,505</u></u>	<u><u>\$675,040</u></u>	<u><u>\$14,770,503</u></u>	<u><u>\$662,158</u></u>
<b>Business-Type Activities</b>					
<i>General Obligation Bonds</i>					
Water System	\$655,000	\$0	\$25,000	630,000	\$30,000
Water Refunding #1	0	690,000	0	690,000	20,000
Water Refunding #2	0	1,165,000	0	1,165,000	40,000
Sewer Improvement	0	725,000	0	725,000	15,000
<i>Total General Obligation Bonds</i>	<u>\$655,000</u>	<u>\$2,580,000</u>	<u>\$25,000</u>	<u>\$3,210,000</u>	<u>\$105,000</u>

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

	Balance 12/31/01	Increase	Decrease	Balance 12/31/02	Amounts Due in One Year
<i>OWDA Loans</i>					
Sewer System	\$7,793,761	\$0	\$493,684	\$7,300,077	\$517,665
Unamortized Loss	(848,257)	73,762	0	(774,495)	0
Total Sewer System	6,945,504	73,762	493,684	6,525,582	517,665
Rapid Sandfilter	0	1,468,955	0	1,468,955	0
<i>Total OWDA Loans</i>	<u>6,945,504</u>	<u>1,542,717</u>	<u>493,684</u>	<u>7,994,537</u>	<u>517,665</u>
<i>Other Long-Term Liabilities</i>					
Water System Mortgage Revenue Bonds	1,145,000	0	75,000	1,070,000	80,000
Flow Control OPWC Loan	54,122	0	4,163	49,959	4,163
Krick Road Water Special Assessment Bonds	155,000	0	35,000	120,000	40,000
Compensated Absences	90,610	35,870	25,917	100,563	3,672
<i>Total Other Long-Term Liabilities</i>	<u>1,444,732</u>	<u>35,870</u>	<u>140,080</u>	<u>1,340,522</u>	<u>127,835</u>
<i>Total Business-Type Activities</i>	<u>\$9,045,236</u>	<u>\$4,158,587</u>	<u>\$658,764</u>	<u>\$12,545,059</u>	<u>\$750,500</u>

General obligation bonds will be paid from the general obligation bond retirement debt service fund as well as user charges from the appropriate enterprise fund. Special assessment bonds will be paid from the proceeds of special assessments against benefited property owners. Special assessment monies will be received in and the debt will be retired from the special assessment debt service and the water enterprise funds. 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 loan will be paid from the general bond retirement debt service fund as well as user charges from the appropriate enterprise fund. The OWDA loans will be paid from user charges.

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

The City of Bedford advance refunded the 1986 and 1990 Wastewater Bond issues in favor of a low interest loan from the Ohio Water Development Authority. Under GASB Statement No. 23, the City is amortizing the loss over the life of the new issue.

On December 1, 2002 the City issued general obligation bonds in the amount of \$1,165,000 at an average coupon rate of 3.307 percent over a 10-year period. These bonds were issued to refinance the \$1,070,000 outstanding 1991 water construction mortgage revenue bonds. This refinancing occurred in 2003. Please see Note 17 to the basic financial statements for further information.

On December 1, 2002 the City issued general obligation bonds in the amount of \$690,000 at an average coupon rate of 3.824 percent for \$630,000 serial bonds and 4.65 percent for \$60,000 in 2019 term bonds over a 15-year period. The average coupon was at 3.947 percent. These bonds were issued to refinance the \$630,000 outstanding 1997 water construction general obligation bonds. This refinancing occurred in 2003. Please see Note 17 to the basic financial statements for further information.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

A line of credit has been established with the Ohio Water Development Authority in the amount of \$2,454,875 for the Rapid Sandfilter, however, since the loan has not been finalized, a repayment schedule is not included in the schedule of debt service requirements.

***Mortgage Revenue Bonds***

Mortgage Revenue bonds of the City of Bedford are obligations of the City secured by a mortgage upon all assets of the water system. These bonds are payable solely from gross revenues of the water system after provisions for operating and maintenance expenses. These bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers in sufficient amounts to satisfy the annual obligation under the indenture agreement. In addition, special provisions exist regarding covenant violations, redemptions of principal, payment of interest, establishing renewal & replacement accounts and maintenance of properties.

In 1991, the City issued \$1,650,000 in Water System Mortgage Revenue Improvement Bonds. The interest rates varied from 5.00 percent to 6.75 percent the bonds mature December 1, 1993 through December 1, 2012. The outstanding amount as of December 31, 2002 was \$1,070,000. As of December 31, 2002 the outstanding bonds have a redemption price of 1.01 percent. Please refer to Note 17 to the basic financial statements for more information.

The restrictions that were placed upon these bonds by the indenture as of December 31, 2002, restricted the City's Water Fund assets held in the Bond Reserve Fund in an amount of \$162,863. The Renewal and Replacement Fund which represents 5 percent of sales, had set aside for improvements a balance of \$1,196,296.

The City's overall legal debt margin was \$16,407,569 at December 31, 2002. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2002, are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Bedford School
	Principal	Interest	Principal	Interest	
2003	\$215,000	\$665,241	\$65,000	\$52,935	\$50,000
2004	375,000	539,986	75,000	48,663	50,000
2005	385,000	527,807	75,000	43,783	0
2006	400,000	514,218	65,000	38,852	0
2007	415,000	499,196	70,000	34,930	0
2008-2012	2,355,000	2,218,396	330,000	113,610	0
2013-2017	2,950,000	1,620,403	170,000	21,045	0
2018-2022	2,470,000	869,374	0	0	0
2023-2027	2,190,000	339,862	0	0	0
2028-2032	0	0	0	0	0
2033-2035	0	0	0	0	0
Total	<u>\$11,755,000</u>	<u>\$7,794,483</u>	<u>\$850,000</u>	<u>\$353,818</u>	<u>\$100,000</u>

(continued)

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

Year	Police Pension		OPWC Loan
	Principal	Interest	
2003	\$3,174	\$9,122	\$48,189
2004	3,310	8,986	48,189
2005	3,453	8,844	48,189
2006	3,601	8,696	48,189
2007	3,755	8,541	48,189
2008-2012	21,340	40,141	240,945
2013-2017	26,333	35,148	163,035
2018-2022	32,497	28,984	77,786
2023-2027	40,101	21,380	0
2028-2032	49,487	12,025	0
2033-2035	28,373	1,811	0
Total	\$215,424	\$183,678	\$722,711

Business-Type Activities

Year	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$105,000	\$140,816	\$40,000	\$6,040	\$80,000	\$70,835
2004	210,000	122,589	40,000	4,080	85,000	65,795
2005	210,000	117,818	40,000	2,060	90,000	60,355
2006	215,000	112,442	0	0	95,000	54,505
2007	225,000	106,141	0	0	100,000	48,282
2008-2012	1,265,000	401,861	0	0	620,000	130,389
2013-2017	735,000	174,313	0	0	0	0
2018-2022	245,000	37,557	0	0	0	0
Total	\$3,210,000	\$1,213,537	\$120,000	\$12,180	\$1,070,000	\$430,161

(continued)

Year	OWDA Loan		OPWC Loan
	Principal	Interest	
2003	\$517,665	\$344,265	\$4,163
2004	542,811	319,119	4,163
2005	569,179	292,752	4,163
2006	596,827	265,103	4,163
2007	625,819	236,112	4,163
2008-2012	3,615,721	693,930	20,816
2013-2017	832,055	29,876	8,328
2018-2022	0	0	0
Total	\$7,300,077	\$2,181,157	\$49,959



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**Note 13 – 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. City employees are paid for earned, unused vacation leave at the time of termination of employment.

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

**Note 14 - Notes Payable**

On December 19, 2001, the City issued a \$5,000,000 bond anticipation note for 2.5 percent in the City Hall capital projects fund. The note matured on June 28, 2002. The note was issued for the construction of the new municipal complex.

On June 29, 2001, the City issued a \$670,400 bond anticipation note for 3.25 percent in the wastewater enterprise fund. The note matured on June 28, 2002. The note was issued for the wastewater system.

**Note 15- Capital Leases**

In prior years, the City entered into a lease for computer equipment for the Court and a copier for the City Hall. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and has been recorded on the government-wide statements. The equipment has been capitalized in the amount of \$309,684, the present value of the minimum lease payments at the inception of the lease. The book value as of December 31, 2002 was \$185,810. The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2003	\$113,985
2004	\$2,760
2005	<u>1,150</u>
Total minimum lease payments	117,895
Less: Amount representing interest	<u>6,463</u>
Present value of minimum lease payments	<u><u>\$111,432</u></u>

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**Note 15 - Construction and Other Significant Commitments**

The City has eleven contracts with various contractors for the construction on the Municipal Center Complex as of December 31, 2002. The balance remaining on all these contracts totaled \$557,756.

The City has a \$215,000 remaining balance on a construction contract with Don Mould Plantation for the downtown renovation.

**Note 16 - Risk Management**

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Automobile Liability	\$1,000,000	\$500 Single 250 Comprehensive
General Liability	5,000,000 aggregate 5,000,000 per occurrence	1,000
Property Liability	24,593,872	1,000
Boiler and Machinery	2,000,000	1,000
Firefighters Errors and Omissions	5,000,000 aggregate 5,000,000 per occurrence	1,000
Ambulance Professional	5,000,000 aggregate 1,000,000 per occurrence	

Settled claims have not exceeded this commercial coverage in any of the past three years.

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.

The City has one hospitalization plan with no deductibles or other out of pocket expenses other than a \$25 deductible for non-admitted emergency room use and a \$20 co-pay for doctor office visits. The plan includes two levels of prescription deductibles and a partial reimbursement plan for dental and vision claims depending upon the type of claim.

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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The claims liability of \$72,288 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2002, 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 2001 and 2002 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2001	\$103,117	\$1,284,502	\$1,290,454	\$97,165
2002	97,165	1,164,937	1,189,814	72,288

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

**Note 17 – Subsequent Events**

The proceeds of the \$1,165,000 general obligation bond issue will be utilized to defease the \$1,070,000 water system mortgage revenue bonds at December 31, 2002. The old issue was called utilizing the City call provision in the bond indenture and the final payment on the old debt occurred on January 15, 2003. The old issue is considered defeased at the time of the release of this report and the liability for these bonds will be removed in 2003 from the water enterprise fund. The City reduced its aggregate debt service payments with a cash flow total savings of \$105,482 over the next 10 years. The City obtained an economic gain, the difference between the present values of the old and the new debt service payments, of \$117,707.

The proceeds of the \$690,000 general obligation bond issue will be utilized to defease the \$630,000 water general obligation bonds at December 31, 2002. The old issue was called utilizing the City call provision in the bond indenture and the final payment on the old debt occurred on January 15, 2003. The old issue is considered defeased at the time of the release of this report and the liability for these bonds will be removed in 2003 from the water enterprise fund. The City reduced its aggregate debt service payments with a cash flow total savings of \$33,328 over the next 15 years. The City obtained an economic gain, the difference between the present values of the old and the new debt service payments, of \$40,274.

## Combining Statements and Individual Fund Schedules

### Combining Statements – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

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

**Fire Medic Levy Fund** - To account for the property tax revenue collected for the paramedic services as well as firefighting services.

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

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

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

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

### *Nonmajor Debt Service Fund*

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

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

### *Nonmajor Capital Projects Funds*

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

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

**Viaduct Park Fund** - To account for improvements to the MetroParks Historic Area called Viaduct Park. The related expenditures are restricted for signage, walkways and the Tinkers Creek Falls overlook deck.

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

**Turney Road Improvement Fund** - To account for improvements to Turney Road. Improvements are funded by the County with a 10 percent local share for repavement and 100 percent local share for sanitary sewer and water utility improvements.

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,689,062	\$84,136	\$933,920	\$3,707,118
Cash and Cash Equivalents With Fiscal Agents	0	0	50,264	50,264
Property Taxes Receivable	870,503	0	0	870,503
Intergovernmental Receivable	377,062	0	0	377,062
Accrued Interest Receivable	312	0	0	312
Materials and Supplies Inventory	41,093	0	0	41,093
Prepaid Items	496	0	0	496
Special Assessments Receivable	262,982	0	0	262,982
<i>Total Assets</i>	<u>\$4,241,510</u>	<u>\$84,136</u>	<u>\$984,184</u>	<u>\$5,309,830</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$55,106	\$0	\$28,604	\$83,710
Accrued Wages and Benefits	115,174	0	0	115,174
Intergovernmental Payable	12,867	0	0	12,867
Retainage Payable	0	0	50,264	50,264
Deferred Revenue	1,318,121	0	0	1,318,121
<i>Total Liabilities</i>	<u>1,501,268</u>	<u>0</u>	<u>78,868</u>	<u>1,580,136</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	572,280	0	133,739	706,019
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	2,167,962	0	0	2,167,962
Debt Service Fund	0	84,136	0	84,136
Capital Projects Fund	0	0	771,577	771,577
<i>Total Fund Balances</i>	<u>2,740,242</u>	<u>84,136</u>	<u>905,316</u>	<u>3,729,694</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,241,510</u>	<u>\$84,136</u>	<u>\$984,184</u>	<u>\$5,309,830</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$846,269	\$0	\$0	\$846,269
Charges for Services	297,609	0	0	297,609
Fees, Licenses and Permits	393	0	0	393
Fines and Forfeitures	146,127	0	107,019	253,146
Intergovernmental	974,926	0	182,922	1,157,848
Special Assessments	260,976	0	0	260,976
Interest	73,354	9,581	28,864	111,799
Other	147,110	0	25,000	172,110
<i>Total Revenues</i>	<u>2,746,764</u>	<u>9,581</u>	<u>343,805</u>	<u>3,100,150</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police	665,299	0	0	665,299
Fire	2,889,019	0	0	2,889,019
Public Health and Welfare	175,873	0	0	175,873
Leisure Time Activities	1,017,836	0	0	1,017,836
Community Development	731,801	0	0	731,801
Basic Utilities Services	281,445	0	0	281,445
Transportation	560,136	0	0	560,136
Capital Outlay	409,498	0	1,892,482	2,301,980
Debt Service:				
Principal Retirement	3,043	273,189	0	276,232
Interest and Fiscal Charges	9,252	237,383	0	246,635
<i>Total Expenditures</i>	<u>6,743,202</u>	<u>510,572</u>	<u>1,892,482</u>	<u>9,146,256</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,996,438)</u>	<u>(500,991)</u>	<u>(1,548,677)</u>	<u>(6,046,106)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,973,826	510,575	568,918	5,053,319
Transfers Out	(72,145)	0	(54,060)	(126,205)
<i>Total Other Financing Sources (Uses)</i>	<u>3,901,681</u>	<u>510,575</u>	<u>514,858</u>	<u>4,927,114</u>
<i>Net Change in Fund Balances</i>	(94,757)	9,584	(1,033,819)	(1,118,992)
<i>Fund Balances Beginning of Year</i>	<u>2,834,999</u>	<u>74,552</u>	<u>1,939,135</u>	<u>4,848,686</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,740,242</u></u>	<u><u>\$84,136</u></u>	<u><u>\$905,316</u></u>	<u><u>\$3,729,694</u></u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2002*

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$162,486	\$19,733	\$42,659	\$139,086
Property Taxes Receivable	0	0	0	0
Intergovernmental Receivable	106,088	0	10,917	5,513
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$268,574</u>	<u>\$19,733</u>	<u>\$53,576</u>	<u>\$144,599</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$4,500
Accrued Wages and Benefits	0	2,252	0	0
Intergovernmental Payable	0	252	0	0
Deferred Revenue	0	0	7,625	0
<i>Total Liabilities</i>	<u>0</u>	<u>2,504</u>	<u>7,625</u>	<u>4,500</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	2,512	2,746	37,637	0
Unreserved, Undesignated	266,062	14,483	8,314	140,099
<i>Total Fund Balances</i>	<u>268,574</u>	<u>17,229</u>	<u>45,951</u>	<u>140,099</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$268,574</u>	<u>\$19,733</u>	<u>\$53,576</u>	<u>\$144,599</u>



Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction Maintenance and Repair
\$57,008	\$3,121	\$44,162	\$9,028	\$201,331	\$656,317
0	0	0	0	0	0
0	11,361	0	0	0	131,798
0	0	0	0	0	0
41,093	0	0	0	0	0
127	0	0	0	0	0
0	0	0	0	262,982	0
<u>\$98,228</u>	<u>\$14,482</u>	<u>\$44,162</u>	<u>\$9,028</u>	<u>\$464,313</u>	<u>\$788,115</u>
\$6,723	\$6,236	\$0	\$0	\$0	\$2,552
17,348	0	4,793	0	0	5,892
2,811	0	477	0	0	560
0	0	0	0	262,982	90,846
<u>26,882</u>	<u>6,236</u>	<u>5,270</u>	<u>0</u>	<u>262,982</u>	<u>99,850</u>
1,175	0	727	250	0	279,188
70,171	8,246	38,165	8,778	201,331	409,077
<u>71,346</u>	<u>8,246</u>	<u>38,892</u>	<u>9,028</u>	<u>201,331</u>	<u>688,265</u>
<u>\$98,228</u>	<u>\$14,482</u>	<u>\$44,162</u>	<u>\$9,028</u>	<u>\$464,313</u>	<u>\$788,115</u>

(continued)

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2002*

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$19,119	\$309,463	\$219,322	\$29,759
Property Taxes Receivable	0	0	0	0
Intergovernmental Receivable	0	52,877	0	11,679
Accrued Interest Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$19,119</u>	<u>\$362,340</u>	<u>\$219,322</u>	<u>\$41,438</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$35,095	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	39,336	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>74,431</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	197,144	27,661	1,019
Unreserved, Undesignated	19,119	90,765	191,661	40,419
<i>Total Fund Balances</i>	<u>19,119</u>	<u>287,909</u>	<u>219,322</u>	<u>41,438</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$19,119</u>	<u>\$362,340</u>	<u>\$219,322</u>	<u>\$41,438</u>

<u>Fire Medic Levy</u>	<u>Municipal Court Special Programs</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Cemetery Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$249,099	\$328,191	\$94,252	\$62,863	\$42,063	\$2,689,062
716,897	0	76,803	76,803	0	870,503
38,561	0	4,134	4,134	0	377,062
0	0	0	0	312	312
0	0	0	0	0	41,093
369	0	0	0	0	496
0	0	0	0	0	262,982
<u>\$1,004,926</u>	<u>\$328,191</u>	<u>\$175,189</u>	<u>\$143,800</u>	<u>\$42,375</u>	<u>\$4,241,510</u>
\$0	\$0	\$0	\$0	\$0	\$55,106
84,889	0	0	0	0	115,174
8,767	0	0	0	0	12,867
755,458	0	80,937	80,937	0	1,318,121
<u>849,114</u>	<u>0</u>	<u>80,937</u>	<u>80,937</u>	<u>0</u>	<u>1,501,268</u>
22,221	0	0	0	0	572,280
133,591	328,191	94,252	62,863	42,375	2,167,962
<u>155,812</u>	<u>328,191</u>	<u>94,252</u>	<u>62,863</u>	<u>42,375</u>	<u>2,740,242</u>
<u>\$1,004,926</u>	<u>\$328,191</u>	<u>\$175,189</u>	<u>\$143,800</u>	<u>\$42,375</u>	<u>\$4,241,510</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, 2002*

	Community Development Block Grant	Enterprise Zone	State Highway	Indigent Drivers
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	4,235	0	0	0
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	238,144	0	29,084	24,404
Special Assessments	0	0	0	0
Interest	0	527	1,460	4,733
Other	0	3,750	0	0
<i>Total Revenues</i>	<u>242,379</u>	<u>4,277</u>	<u>30,544</u>	<u>29,137</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health and Welfare	0	0	0	46,170
Leisure Time Activities	0	0	0	0
Community Development	605,715	126,086	0	0
Basic Utilities Services	0	0	0	0
Transportation	0	0	109,363	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>605,715</u>	<u>126,086</u>	<u>109,363</u>	<u>46,170</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(363,336)</u>	<u>(121,809)</u>	<u>(78,819)</u>	<u>(17,033)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	367,626	115,085	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>367,626</u>	<u>115,085</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,290	(6,724)	(78,819)	(17,033)
<i>Fund Balances Beginning of Year</i>	<u>264,284</u>	<u>23,953</u>	<u>124,770</u>	<u>157,132</u>
<i>Fund Balances End of Year</i>	<u>\$268,574</u>	<u>\$17,229</u>	<u>\$45,951</u>	<u>\$140,099</u>

Recreation	SEAL Narcotics	Cemetery	Enforcement and Education	Street Lighting	Street Construction Maintenance and Repair
\$0	\$0	\$0	\$0	\$0	\$0
93,993	0	36,818	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	42,563	0	868	0	359,412
0	0	0	0	260,976	0
3,644	0	1,434	312	7,130	19,990
1,932	140,123	0	0	0	155
<u>99,569</u>	<u>182,686</u>	<u>38,252</u>	<u>1,180</u>	<u>268,106</u>	<u>379,557</u>
0	207,935	0	3,685	0	0
0	0	0	0	0	0
0	0	129,703	0	0	0
973,313	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	268,945	0
0	0	0	0	0	359,822
110,101	98,944	300	0	0	166,760
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,083,414</u>	<u>306,879</u>	<u>130,003</u>	<u>3,685</u>	<u>268,945</u>	<u>526,582</u>
<u>(983,845)</u>	<u>(124,193)</u>	<u>(91,751)</u>	<u>(2,505)</u>	<u>(839)</u>	<u>(147,025)</u>
960,000	0	102,585	0	0	280,925
0	0	0	0	0	0
<u>960,000</u>	<u>0</u>	<u>102,585</u>	<u>0</u>	<u>0</u>	<u>280,925</u>
(23,845)	(124,193)	10,834	(2,505)	(839)	133,900
<u>95,191</u>	<u>132,439</u>	<u>28,058</u>	<u>11,533</u>	<u>202,170</u>	<u>554,365</u>
<u>\$71,346</u>	<u>\$8,246</u>	<u>\$38,892</u>	<u>\$9,028</u>	<u>\$201,331</u>	<u>\$688,265</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, 2002*

	Law Enforcement Trust	Motor Vehicle License	Fire Equipment	Grants
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	162,563	0
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	11,705	0	0	0
Intergovernmental	0	90,439	0	96,317
Special Assessments	0	0	0	0
Interest	636	7,763	7,566	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>12,341</u>	<u>98,202</u>	<u>170,129</u>	<u>96,317</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police	13,051	0	0	103,152
Fire	0	0	222,245	2,352
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	44,523
Community Development	0	0	0	0
Basic Utilities Services	0	0	0	12,500
Transportation	0	90,951	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>13,051</u>	<u>90,951</u>	<u>222,245</u>	<u>162,527</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(710)</u>	<u>7,251</u>	<u>(52,116)</u>	<u>(66,210)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	3,600
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,600</u>
<i>Net Change in Fund Balances</i>	<u>(710)</u>	<u>7,251</u>	<u>(52,116)</u>	<u>(62,610)</u>
<i>Fund Balances Beginning of Year</i>	<u>19,829</u>	<u>280,658</u>	<u>271,438</u>	<u>104,048</u>
<i>Fund Balances End of Year</i>	<u>\$19,119</u>	<u>\$287,909</u>	<u>\$219,322</u>	<u>\$41,438</u>

Fire Medic Levy	Municipal Court Special Programs	Police Pension	Fire Pension	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$696,927	\$0	\$74,671	\$74,671	\$0	\$846,269
0	0	0	0	0	297,609
393	0	0	0	0	393
0	134,422	0	0	0	146,127
77,161	0	8,267	8,267	0	974,926
0	0	0	0	0	260,976
7,428	9,810	0	0	921	73,354
1,100	0	0	0	50	147,110
<u>783,009</u>	<u>144,232</u>	<u>82,938</u>	<u>82,938</u>	<u>971</u>	<u>2,746,764</u>
0	0	337,476	0	0	665,299
2,260,746	0	0	403,676	0	2,889,019
0	0	0	0	0	175,873
0	0	0	0	0	1,017,836
0	0	0	0	0	731,801
0	0	0	0	0	281,445
0	0	0	0	0	560,136
33,393	0	0	0	0	409,498
0	0	3,043	0	0	3,043
0	0	9,252	0	0	9,252
<u>2,294,139</u>	<u>0</u>	<u>349,771</u>	<u>403,676</u>	<u>0</u>	<u>6,743,202</u>
<u>(1,511,130)</u>	<u>144,232</u>	<u>(266,833)</u>	<u>(320,738)</u>	<u>971</u>	<u>(3,996,438)</u>
1,583,575	0	269,715	290,715	0	3,973,826
0	(72,145)	0	0	0	(72,145)
<u>1,583,575</u>	<u>(72,145)</u>	<u>269,715</u>	<u>290,715</u>	<u>0</u>	<u>3,901,681</u>
72,445	72,087	2,882	(30,023)	971	(94,757)
<u>83,367</u>	<u>256,104</u>	<u>91,370</u>	<u>92,886</u>	<u>41,404</u>	<u>2,834,999</u>
<u>\$155,812</u>	<u>\$328,191</u>	<u>\$94,252</u>	<u>\$62,863</u>	<u>\$42,375</u>	<u>\$2,740,242</u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2002*

	<u>Municipal Court Improvement</u>	<u>Capital Improvement</u>	<u>Turney Road Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$328,466	\$534,510	\$70,944	\$933,920
Cash and Cash Equivalents With Fiscal Agents	<u>0</u>	<u>50,264</u>	<u>0</u>	<u>50,264</u>
<i>Total Assets</i>	<u><u>\$328,466</u></u>	<u><u>\$584,774</u></u>	<u><u>\$70,944</u></u>	<u><u>\$984,184</u></u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$16,330	\$12,274	\$0	\$28,604
Retainage Payable	<u>0</u>	<u>50,264</u>	<u>0</u>	<u>50,264</u>
<i>Total Liabilities</i>	<u>16,330</u>	<u>62,538</u>	<u>0</u>	<u>78,868</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	7,200	55,595	70,944	133,739
Unreserved, Undesignated	<u>304,936</u>	<u>466,641</u>	<u>0</u>	<u>771,577</u>
<i>Total Fund Balances</i>	<u>312,136</u>	<u>522,236</u>	<u>70,944</u>	<u>905,316</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$328,466</u></u>	<u><u>\$584,774</u></u>	<u><u>\$70,944</u></u>	<u><u>\$984,184</u></u>



**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2002*

	Municipal Court Improvement	Viaduct Park	Capital Improvement	Turney Road Improvement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Fines and Forfeitures	\$107,019	\$0	\$0	\$0	\$107,019
Intergovernmental	0	84,928	97,994	0	182,922
Interest	10,939	0	17,925	0	28,864
Other	0	0	25,000	0	25,000
<i>Total Revenues</i>	117,958	84,928	140,919	0	343,805
<b>Expenditures</b>					
Capital Outlay	181,461	181,822	1,229,199	300,000	1,892,482
<i>Excess of Revenues Under Expenditures</i>	(63,503)	(96,894)	(1,088,280)	(300,000)	(1,548,677)
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	1,018	567,900	0	568,918
Transfers Out	0	(54,060)	0	0	(54,060)
<i>Total Other Financing Sources (Uses)</i>	0	(53,042)	567,900	0	514,858
<i>Net Change in Fund Balances</i>	(63,503)	(149,936)	(520,380)	(300,000)	(1,033,819)
<i>Fund Balances Beginning of Year</i>	375,639	149,936	1,042,616	370,944	1,939,135
<i>Fund Balances End of Year</i>	\$312,136	\$0	\$522,236	\$70,944	\$905,316

## **Combining Statements - Agency Funds**

### ***Agency Funds***

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

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

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

**City of Bedford, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2002*

	Beginning Balance 12/31/01	Additions	Deductions	Ending Balance 12/31/02
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents In Segregated Accounts	\$105,848	\$3,569,183	\$3,524,134	\$150,897
<b>Liabilities</b>				
Deposits Held and Due to Others	\$105,848	\$3,569,183	\$3,524,134	\$150,897
 <b><i>State Inspection Fee</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$51	\$1,083	\$1,110	\$24
<b>Liabilities</b>				
Deposits Held and Due to Others	\$51	\$1,083	\$1,110	\$24
 <b><i>All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$51	\$1,083	\$1,110	\$24
Cash and Cash Equivalents In Segregated Accounts	105,848	3,569,183	3,524,134	150,897
<b><i>Total Assets</i></b>	<b>\$105,899</b>	<b>\$3,570,266</b>	<b>\$3,525,244</b>	<b>\$150,921</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$105,899	\$3,570,266	\$3,525,244	\$150,921

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$2,094,885	\$2,324,442	\$2,374,061	\$49,619
Municipal Income Taxes	8,636,294	9,341,378	9,760,176	418,798
Charges for Services	159,341	172,350	256,739	84,389
Fees, Licenses and Permits	117,262	126,835	144,135	17,300
Fines and Forfeitures	844,882	913,860	886,156	(27,704)
Intergovernmental	1,838,312	1,988,395	2,001,987	13,592
Interest	254,243	275,000	266,032	(8,968)
Other	50,524	53,150	54,984	1,834
<i>Total Revenues</i>	<u>13,995,743</u>	<u>15,195,410</u>	<u>15,744,270</u>	<u>548,860</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council and Clerk:				
Personal Services	189,826	193,826	181,893	11,933
Capital Outlay	16,476	16,476	16,455	21
Other	37,384	37,384	32,410	4,974
Total Council and Clerk	<u>243,686</u>	<u>247,686</u>	<u>230,758</u>	<u>16,928</u>
Finance Department:				
Personal Services	286,920	286,920	275,672	11,248
Capital Outlay	25,400	25,400	24,337	1,063
Other	290,369	290,369	279,866	10,503
Total Finance Department	<u>602,689</u>	<u>602,689</u>	<u>579,875</u>	<u>22,814</u>
Income Tax Department:				
Personal Services	168,261	186,140	166,156	19,984
Capital Outlay	12,037	13,316	11,959	1,357
Other	113,661	125,738	109,591	16,147
Total Income Tax Department	<u>293,959</u>	<u>325,194</u>	<u>287,706</u>	<u>37,488</u>
City Manager:				
Personal Services	234,102	234,102	228,961	5,141
Capital Outlay	2,765	2,765	2,765	0
Other	28,805	28,805	14,073	14,732
Total City Manager	<u>\$265,672</u>	<u>\$265,672</u>	<u>\$245,799</u>	<u>\$19,873</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$88,885	\$88,885	\$88,583	\$302
Other	112,500	112,500	66,925	45,575
Total Law Department	201,385	201,385	155,508	45,877
Engineering:				
Personal Services	17,038	17,038	14,637	2,401
Other	36,000	56,000	49,963	6,037
Total Engineering	53,038	73,038	64,600	8,438
Municipal Court:				
Personal Services	1,520,513	1,520,513	1,455,434	65,079
Other	252,015	252,015	223,262	28,753
Total Municipal Court	1,772,528	1,772,528	1,678,696	93,832
Special Projects:				
Other	50,300	50,300	38,453	11,847
Civil Service Commission:				
Personal Services	4,000	3,300	1,815	1,485
Other	24,300	24,300	20,708	3,592
Total Civil Service Commission	28,300	27,600	22,523	5,077
Land and Building:				
Personal Services	64,796	74,379	59,725	14,654
Capital Outlay	136,899	157,147	138,959	18,188
Other	278,355	319,524	256,765	62,759
Total Land and Building	480,050	551,050	455,449	95,601
County Auditor Deductions:				
Other	62,600	62,600	52,984	9,616
Total General Government	\$4,054,207	\$4,179,742	\$3,812,351	\$367,391

(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, 2002*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Security of Persons and Property:				
Police:				
Law Department:				
Personal Services	\$2,812,899	\$2,812,899	\$2,791,466	\$21,433
Capital Outlay	139,535	139,535	132,799	6,736
Other	271,913	271,913	258,236	13,677
Total Security of Persons and Property	3,224,347	3,224,347	3,182,501	41,846
Public Health and Welfare:				
Health Department:				
Other	41,931	41,931	41,931	0
Leisure Time Activities:				
Parks and Playground:				
Personal Services	16,643	16,643	7,572	9,071
Capital Outlay	2,000	2,000	0	2,000
Other	283,072	283,072	270,679	12,393
Total Leisure Time Activities	301,715	301,715	278,251	23,464
Community Development:				
Planning Commission Department:				
Personal Services	0	1,175	405	770
Other	3,000	3,000	2,100	900
Total Planning Commission Department	3,000	4,175	2,505	1,670
Board of Zoning Appeals:				
Other	600	600	450	150
Building Department:				
Personal Services	302,866	317,237	315,641	1,596
Capital Outlay	10,802	11,315	11,315	0
Other	23,534	24,650	22,714	1,936
Total Building Department	337,202	353,202	349,670	3,532
Total Community Development	340,802	357,977	352,625	5,352
Basic Utility Services:				
Refuse Collection:				
Personal Services	\$525,000	\$525,000	\$447,605	\$77,395

(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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation:				
Service Department:				
Personal Services	\$1,350,093	\$1,350,093	\$1,309,925	\$40,168
Capital Outlay	12,600	12,600	5,244	7,356
Other	26,602	26,602	18,511	8,091
Total Transportation	1,389,295	1,389,295	1,333,680	55,615
<i>Total Expenditures</i>	9,877,297	10,020,007	9,448,944	571,063
<i>Excess of Revenues Over Expenditures</i>	4,118,446	5,175,403	6,295,326	1,119,923
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	3,000	3,000	0
Transfers In	54,109	54,109	54,060	(49)
Transfers Out	(4,394,460)	(4,826,102)	(4,826,004)	98
<i>Total Other Financing Sources (Uses)</i>	(4,340,351)	(4,768,993)	(4,768,944)	49
<i>Net Change in Fund Balance</i>	(221,905)	406,410	1,526,382	1,119,972
<i>Fund Balance Beginning of Year</i>	7,133,906	7,133,906	7,133,906	0
Prior Year Encumbrances Appropriated	275,221	275,221	275,221	0
<i>Fund Balance End of Year</i>	\$7,187,222	\$7,815,537	\$8,935,509	\$1,119,972



**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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$122,169	\$122,169	\$113,705	(\$8,464)
Other	6,250	6,250	6,902	652
<i>Total Revenues</i>	<u>128,419</u>	<u>128,419</u>	<u>120,607</u>	<u>(7,812)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	65,000	65,000	65,000	0
Interest and Fiscal Charges	57,169	57,169	57,169	0
<i>Total Expenditures</i>	<u>122,169</u>	<u>122,169</u>	<u>122,169</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,250	6,250	(1,562)	(7,812)
<i>Fund Balance Beginning of Year</i>	<u>248,026</u>	<u>248,026</u>	<u>248,026</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$254,276</u></u>	<u><u>\$254,276</u></u>	<u><u>\$246,464</u></u>	<u><u>(\$7,812)</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Hall Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$624,015	\$624,015	\$802,473	\$178,458
Interest	267,135	261,150	265,904	4,754
Other	0	0	315	315
<i>Total Revenues</i>	<u>891,150</u>	<u>885,165</u>	<u>1,068,692</u>	<u>183,527</u>
<b>Expenditures</b>				
Capital Outlay	10,282,348	14,477,788	13,608,378	869,410
Debt Service:				
Principal Retirement	5,000,000	5,000,000	5,000,000	0
Interest and Fiscal Charges	65,625	66,109	66,109	0
Bond Issuance Costs	0	272,916	224,917	47,999
Total Debt Service	<u>5,065,625</u>	<u>5,339,025</u>	<u>5,291,026</u>	<u>47,999</u>
<i>Total Expenditures</i>	<u>15,347,973</u>	<u>19,816,813</u>	<u>18,899,404</u>	<u>917,409</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(14,456,823)</u>	<u>(18,931,648)</u>	<u>(17,830,712)</u>	<u>1,100,936</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	787,500	787,500	0	(787,500)
General Obligation Bonds Issued	7,200,000	7,200,000	7,200,000	0
Transfers In	275,070	275,070	257,215	(17,855)
Transfers Out	0	(412,385)	(412,385)	0
<i>Total Other Financing Sources (Uses)</i>	<u>8,262,570</u>	<u>7,850,185</u>	<u>7,044,830</u>	<u>(805,355)</u>
<i>Net Change in Fund Balance</i>	<u>(6,194,253)</u>	<u>(11,081,463)</u>	<u>(10,785,882)</u>	<u>295,581</u>
<i>Fund Balance Beginning of Year</i>	2,060,023	2,060,023	2,060,023	0
Prior Year Encumbrances Appropriated	<u>9,695,588</u>	<u>9,695,588</u>	<u>9,695,588</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,561,358</u>	<u>\$674,148</u>	<u>\$969,729</u>	<u>\$295,581</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$0	\$5,000	\$4,235	(\$765)
Intergovernmental	340,000	350,000	222,282	(127,718)
<i>Total Revenues</i>	340,000	355,000	226,517	(128,483)
<b>Expenditures</b>				
Current:				
Community Development:				
CDBG Department:				
Other	131,300	310,852	95,852	215,000
Crimson Avenue Project:				
Other	193,952	479,570	456,878	22,692
2001 Housing Grant:				
Other	32,055	55,496	55,496	0
<i>Total Expenditures</i>	357,307	845,918	608,226	237,692
<i>Excess of Revenues Under Expenditures</i>	(17,307)	(490,918)	(381,709)	109,209
<b>Other Financing Sources</b>				
Transfers In	0	367,626	367,626	0
<i>Net Change in Fund Balance</i>	(17,307)	(123,292)	(14,083)	109,209
<i>Fund Balance Beginning of Year</i>	156,751	156,751	156,751	0
Prior Year Encumbrances Appropriated	17,307	17,307	17,307	0
<i>Fund Balance End of Year</i>	\$156,751	\$50,766	\$159,975	\$109,209

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$300	\$300	\$527	\$227
Other	5,000	5,000	3,750	(1,250)
<i>Total Revenues</i>	<u>5,300</u>	<u>5,300</u>	<u>4,277</u>	<u>(1,023)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	56,633	64,643	64,465	178
Capital Outlay	876	1,000	0	1,000
Other	60,563	69,129	64,009	5,120
<i>Total Expenditures</i>	<u>118,072</u>	<u>134,772</u>	<u>128,474</u>	<u>6,298</u>
<i>Excess of Revenues Under Expenditures</i>	(112,772)	(129,472)	(124,197)	5,275
<b>Other Financing Sources</b>				
Transfers In	105,085	115,085	115,085	0
<i>Net Change in Fund Balance</i>	(7,687)	(14,387)	(9,112)	5,275
<i>Fund Balance Beginning of Year</i>	18,412	18,412	18,412	0
Prior Year Encumbrances Appropriated	7,687	7,687	7,687	0
<i>Fund Balance End of Year</i>	<u>\$18,412</u>	<u>\$11,712</u>	<u>\$16,987</u>	<u>\$5,275</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$35,000	\$35,000	\$30,175	(\$4,825)
Interest	2,000	2,000	1,460	(540)
<i>Total Revenues</i>	37,000	37,000	31,635	(5,365)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	147,000	147,000	147,000	0
<i>Net Change in Fund Balance</i>	(110,000)	(110,000)	(115,365)	(5,365)
<i>Fund Balance Beginning of Year</i>	10,387	10,387	10,387	0
Prior Year Encumbrances Appropriated	110,000	110,000	110,000	0
<i>Fund Balance End of Year</i>	<u>\$10,387</u>	<u>\$10,387</u>	<u>\$5,022</u>	<u>(\$5,365)</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$20,000	\$20,000	\$19,896	(\$104)
Interest	6,500	6,500	4,733	(1,767)
<i>Total Revenues</i>	26,500	26,500	24,629	(1,871)
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	70,000	70,000	42,670	27,330
<i>Net Change in Fund Balance</i>	(43,500)	(43,500)	(18,041)	25,459
<i>Fund Balance Beginning of Year</i>	157,127	157,127	157,127	0
<i>Fund Balance End of Year</i>	<u>\$113,627</u>	<u>\$113,627</u>	<u>\$139,086</u>	<u>\$25,459</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$107,600	\$107,600	\$93,993	(\$13,607)
Interest	2,500	2,500	3,644	1,144
Other	1,050	1,050	1,932	882
<i>Total Revenues</i>	<u>111,150</u>	<u>111,150</u>	<u>99,569</u>	<u>(11,581)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	290,048	290,048	287,567	2,481
Other	128,504	128,504	125,885	2,619
Total Playgrounds	<u>418,552</u>	<u>418,552</u>	<u>413,452</u>	<u>5,100</u>
Swimming Pool:				
Personal Services	100,221	100,221	100,219	2
Other	48,394	48,394	46,080	2,314
Total Swimming Pool	<u>148,615</u>	<u>148,615</u>	<u>146,299</u>	<u>2,316</u>
Ellenwood Center:				
Personal Services	321,446	321,446	319,401	2,045
Other	84,294	84,294	82,542	1,752
Total Ellenwood Center	<u>405,740</u>	<u>405,740</u>	<u>401,943</u>	<u>3,797</u>
Total Leisure Time Activities	<u>972,907</u>	<u>972,907</u>	<u>961,694</u>	<u>11,213</u>
Capital Outlay	108,490	113,490	113,246	244
<i>Total Expenditures</i>	<u>1,081,397</u>	<u>1,086,397</u>	<u>1,074,940</u>	<u>11,457</u>
<i>Excess of Revenues Under Expenditures</i>	(970,247)	(975,247)	(975,371)	(124)
<b>Other Financing Sources</b>				
Transfers In	960,000	960,000	960,000	0
<i>Net Change in Fund Balance</i>	(10,247)	(15,247)	(15,371)	(124)
<i>Fund Balance Beginning of Year</i>	62,538	62,538	62,538	0
Prior Year Encumbrances Appropriated	4,687	4,687	4,687	0
<i>Fund Balance End of Year</i>	<u>\$56,978</u>	<u>\$51,978</u>	<u>\$51,854</u>	<u>(\$124)</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SEAL Narcotics Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$152,805	\$108,955	\$90,071	(\$18,884)
Other	54,885	148,090	140,123	(7,967)
<i>Total Revenues</i>	<u>207,690</u>	<u>257,045</u>	<u>230,194</u>	<u>(26,851)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	116,434	185,347	177,747	7,600
Other	15,046	23,952	23,952	0
Total Security of Persons and Property	131,480	209,299	201,699	7,600
Capital Outlay	76,210	121,316	98,944	22,372
<i>Total Expenditures</i>	<u>207,690</u>	<u>330,615</u>	<u>300,643</u>	<u>29,972</u>
<i>Net Change in Fund Balance</i>	0	(73,570)	(70,449)	3,121
<i>Fund Balance Beginning of Year</i>	<u>73,570</u>	<u>73,570</u>	<u>73,570</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$73,570</u>	<u>\$0</u>	<u>\$3,121</u>	<u>\$3,121</u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$41,400	\$41,400	\$38,173	(\$3,227)
Interest	800	800	1,434	634
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>42,700</u>	<u>42,700</u>	<u>39,607</u>	<u>(3,093)</u>
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	120,549	120,549	111,363	9,186
Other	22,586	22,586	18,248	4,338
Total Public Health and Welfare	143,135	143,135	129,611	13,524
Capital Outlay	2,150	2,150	300	1,850
<i>Total Expenditures</i>	<u>145,285</u>	<u>145,285</u>	<u>129,911</u>	<u>15,374</u>
<i>Excess of Revenues Under Expenditures</i>	(102,585)	(102,585)	(90,304)	12,281
<b>Other Financing Sources</b>				
Transfers In	102,585	102,585	102,585	0
<i>Net Change in Fund Balance</i>	0	0	12,281	12,281
<i>Fund Balance Beginning of Year</i>	<u>31,154</u>	<u>31,154</u>	<u>31,154</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,154</u>	<u>\$31,154</u>	<u>\$43,435</u>	<u>\$12,281</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$2,000	\$2,000	\$993	(\$1,007)
Interest	350	350	312	(38)
<i>Total Revenues</i>	<u>2,350</u>	<u>2,350</u>	<u>1,305</u>	<u>(1,045)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	5,500	5,500	2,443	3,057
Other	2,768	2,768	1,492	1,276
<i>Total Expenditures</i>	<u>8,268</u>	<u>8,268</u>	<u>3,935</u>	<u>4,333</u>
<i>Net Change in Fund Balance</i>	(5,918)	(5,918)	(2,630)	3,288
<i>Fund Balance Beginning of Year</i>	10,140	10,140	10,140	0
Prior Year Encumbrances Appropriated	1,268	1,268	1,268	0
<i>Fund Balance End of Year</i>	<u>\$5,490</u>	<u>\$5,490</u>	<u>\$8,778</u>	<u>\$3,288</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$275,000	\$275,000	\$260,976	(\$14,024)
Interest	5,000	5,000	7,130	2,130
<i>Total Revenues</i>	280,000	280,000	268,106	(11,894)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	280,000	280,000	268,945	11,055
<i>Net Change in Fund Balance</i>	0	0	(839)	(839)
<i>Fund Balance Beginning of Year</i>	202,170	202,170	202,170	0
<i>Fund Balance End of Year</i>	<u>\$202,170</u>	<u>\$202,170</u>	<u>\$201,331</u>	<u>(\$839)</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$415,000	\$415,000	\$373,100	(\$41,900)
Interest	15,000	15,000	19,990	4,990
Other	0	0	155	155
<i>Total Revenues</i>	<u>430,000</u>	<u>430,000</u>	<u>393,245</u>	<u>(36,755)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	182,534	161,625	155,300	6,325
Other	674,720	597,433	551,505	45,928
Total Transportation	857,254	759,058	706,805	52,253
Capital Outlay	190,358	168,554	167,122	1,432
<i>Total Expenditures</i>	<u>1,047,612</u>	<u>927,612</u>	<u>873,927</u>	<u>53,685</u>
<i>Excess of Revenues Under Expenditures</i>	(617,612)	(497,612)	(480,682)	16,930
<b>Other Financing Sources</b>				
Transfers In	280,925	280,925	280,925	0
<i>Net Change in Fund Balance</i>	(336,687)	(216,687)	(199,757)	16,930
<i>Fund Balance Beginning of Year</i>	205,104	205,104	205,104	0
Prior Year Encumbrances Appropriated	336,687	336,687	336,687	0
<i>Fund Balance End of Year</i>	<u>\$205,104</u>	<u>\$325,104</u>	<u>\$342,034</u>	<u>\$16,930</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$2,100	\$12,311	\$11,705	(\$606)
Interest	0	600	636	36
<i>Total Revenues</i>	2,100	12,911	12,341	(570)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Other	2,100	14,900	13,051	1,849
<i>Net Change in Fund Balance</i>	0	(1,989)	(710)	1,279
<i>Fund Balance Beginning of Year</i>	19,829	19,829	19,829	0
<i>Fund Balance End of Year</i>	<u>\$19,829</u>	<u>\$17,840</u>	<u>\$19,119</u>	<u>\$1,279</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$103,000	\$103,000	\$90,431	(\$12,569)
Interest	5,000	5,000	7,763	2,763
<i>Total Revenues</i>	108,000	108,000	98,194	(9,806)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	253,000	253,000	253,000	0
<i>Net Change in Fund Balance</i>	(145,000)	(145,000)	(154,806)	(9,806)
<i>Fund Balance Beginning of Year</i>	122,125	122,125	122,125	0
Prior Year Encumbrances Appropriated	145,000	145,000	145,000	0
<i>Fund Balance End of Year</i>	<u>\$122,125</u>	<u>\$122,125</u>	<u>\$112,319</u>	<u>(\$9,806)</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Equipment Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$167,000	\$167,000	\$184,841	\$17,841
Interest	15,000	15,000	7,566	(7,434)
<i>Total Revenues</i>	182,000	182,000	192,407	10,407
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Equipment:				
Other	195,322	265,322	255,336	9,986
<i>Net Change in Fund Balance</i>	(13,322)	(83,322)	(62,929)	20,393
<i>Fund Balance Beginning of Year</i>	247,918	247,918	247,918	0
Prior Year Encumbrances Appropriated	6,672	6,672	6,672	0
<i>Fund Balance End of Year</i>	<u>\$241,268</u>	<u>\$171,268</u>	<u>\$191,661</u>	<u>\$20,393</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$22,361	\$140,945	\$90,553	(\$50,392)
<b>Expenditures</b>				
Current:				
General Government:				
Court Security Grant:				
Other	10,741	20,642	0	20,642
Security of Persons and Property:				
Police:				
Law Enforcement:				
Capital Outlay	4,877	9,372	9,371	1
BPD and YMCA Partnership:				
Personal Services	13,300	25,560	14,973	10,587
Capital Outlay	211	406	0	406
Other	3,806	7,315	4,571	2,744
Total BPD and YMCA Partnership	17,317	33,281	19,544	13,737
Community Diversion:				
Personal Services	12,578	24,172	15,573	8,599
Capital Outlay	1,764	3,391	2,642	749
Other	4,042	7,769	1,130	6,639
Total Community Diversion	18,384	35,332	19,345	15,987
SEAL Narcotics:				
Personal Services	2,794	5,370	4,832	538
3rd Grade Seatbelt:				
Personal Services	447	860	411	449
BP Oil Donation:				
Other	279	537	228	309
Violence Against Women:				
Personal Services	25,235	48,496	36,571	11,925
Other	273	525	267	258
Total Violence Against Women	\$25,508	\$49,021	\$36,838	\$12,183

(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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
DARE Enforcement:				
Personal Services	\$3,639	\$6,994	\$6,994	\$0
Other	3,108	5,973	5,589	384
<b>Total DARE Enforcement</b>	<b>6,747</b>	<b>12,967</b>	<b>12,583</b>	<b>384</b>
<b>Total Police</b>	<b>76,353</b>	<b>146,740</b>	<b>103,152</b>	<b>43,588</b>
Fire:				
Fire Department:				
Other	749	1,440	1,440	0
Smoke Detector Grant:				
Other	717	1,378	1,019	359
<b>Total Fire</b>	<b>1,466</b>	<b>2,818</b>	<b>2,459</b>	<b>359</b>
<b>Total Security of Persons and Property</b>	<b>77,819</b>	<b>149,558</b>	<b>105,611</b>	<b>43,947</b>
Leisure Time Activities:				
Greencroft Park:				
Other	21,734	41,770	41,246	524
Food bank - Recreation:				
Other	2,395	4,600	4,188	412
<b>Total Leisure Time Activities</b>	<b>24,129</b>	<b>46,370</b>	<b>45,434</b>	<b>936</b>
Basic Utility Services:				
Service Department:				
Other	7,805	15,000	12,500	2,500
<b>Total Expenditures</b>	<b>120,494</b>	<b>231,570</b>	<b>163,545</b>	<b>68,025</b>
<i>Excess of Revenues Under Expenditures</i>	(98,133)	(90,625)	(72,992)	17,633
<b>Other Financing Sources</b>				
Transfers In	0	3,600	3,600	0
<b>Net Change in Fund Balance</b>	<b>(98,133)</b>	<b>(87,025)</b>	<b>(69,392)</b>	<b>17,633</b>
<i>Fund Balance Beginning of Year</i>	84,123	84,123	84,123	0
Prior Year Encumbrances Appropriated	14,010	14,010	14,010	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$11,108</b>	<b>\$28,741</b>	<b>\$17,633</b>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Medic Levy Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$686,867	\$686,867	\$696,927	\$10,060
Fees, Licenses and Permits	920	920	393	(527)
Intergovernmental	73,195	73,195	77,161	3,966
Interest	8,000	8,000	7,428	(572)
Other	50	50	1,100	1,050
<i>Total Revenues</i>	<u>769,032</u>	<u>769,032</u>	<u>783,009</u>	<u>13,977</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	2,215,215	2,215,215	2,143,107	72,108
Capital Outlay	19,000	19,000	17,805	1,195
Other	117,659	117,659	106,615	11,044
Total Security of Persons and Property	<u>2,351,874</u>	<u>2,351,874</u>	<u>2,267,527</u>	<u>84,347</u>
Capital Outlay	<u>34,000</u>	<u>34,000</u>	<u>33,393</u>	<u>607</u>
<i>Total Expenditures</i>	<u>2,385,874</u>	<u>2,385,874</u>	<u>2,300,920</u>	<u>84,954</u>
<i>Excess of Revenues Under Expenditures</i>	(1,616,842)	(1,616,842)	(1,517,911)	98,931
<b>Other Financing Sources</b>				
Transfers In	<u>1,583,575</u>	<u>1,583,575</u>	<u>1,583,575</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(33,267)	(33,267)	65,664	98,931
<i>Fund Balance Beginning of Year</i>	156,055	156,055	156,055	0
Prior Year Encumbrances Appropriated	<u>5,159</u>	<u>5,159</u>	<u>5,159</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$127,947</u>	<u>\$127,947</u>	<u>\$226,878</u>	<u>\$98,931</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Special Programs Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$120,000	\$120,000	\$143,961	\$23,961
Interest	11,000	11,000	9,810	(1,190)
<i>Total Revenues</i>	131,000	131,000	153,771	22,771
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	131,000	131,000	153,771	22,771
<b>Other Financing Uses</b>				
Transfers Out	(90,000)	(90,000)	(72,145)	17,855
<i>Net Change in Fund Balance</i>	41,000	41,000	81,626	40,626
<i>Fund Balance Beginning of Year</i>	246,565	246,565	246,565	0
<i>Fund Balance End of Year</i>	<u>\$287,565</u>	<u>\$287,565</u>	<u>\$328,191</u>	<u>\$40,626</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$73,450	\$73,305	\$74,671	\$1,366
Intergovernmental	7,985	7,840	8,267	427
<i>Total Revenues</i>	81,435	81,145	82,938	1,793
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	352,000	352,000	349,771	2,229
<i>Excess of Revenues Under Expenditures</i>	(270,565)	(270,855)	(266,833)	4,022
<b>Other Financing Sources</b>				
Transfers In	269,715	269,715	269,715	0
<i>Net Change in Fund Balance</i>	(850)	(1,140)	2,882	4,022
<i>Fund Balance Beginning of Year</i>	91,370	91,370	91,370	0
<i>Fund Balance End of Year</i>	\$90,520	\$90,230	\$94,252	\$4,022

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property and Other Taxes	\$73,450	\$73,305	\$74,671	\$1,366
Intergovernmental	7,985	7,840	8,267	427
<i>Total Revenues</i>	81,435	81,145	82,938	1,793
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Department:				
Personal Services	378,000	378,000	403,676	(25,676)
<i>Excess of Revenues Under Expenditures</i>	(296,565)	(296,855)	(320,738)	(23,883)
<b>Other Financing Sources</b>				
Transfers In	290,715	290,715	290,715	0
<i>Net Change in Fund Balance</i>	(5,850)	(6,140)	(30,023)	(23,883)
<i>Fund Balance Beginning of Year</i>	92,886	92,886	92,886	0
<i>Fund Balance End of Year</i>	<u>\$87,036</u>	<u>\$86,746</u>	<u>\$62,863</u>	<u>(\$23,883)</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Trust Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$2,200	\$2,200	\$1,353	(\$847)
Other	0	0	50	50
<i>Total Revenues</i>	2,200	2,200	1,403	(797)
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery Trust:				
Other	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	200	200	1,403	1,203
<i>Fund Balance Beginning of Year</i>	40,660	40,660	40,660	0
<i>Fund Balance End of Year</i>	<u>\$40,860</u>	<u>\$40,860</u>	<u>\$42,063</u>	<u>\$1,203</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$3,000	\$3,000	\$9,581	\$6,581
<b>Expenditures</b>				
Current:				
General Government:				
Bond Retirement:				
Other	7,500	7,500	0	7,500
Debt Service:				
Principal Retirement	273,190	273,190	273,189	1
Interest and Fiscal Charges	477,385	237,385	237,383	2
Total Debt Service	750,575	510,575	510,572	3
<i>Total Expenditures</i>	<i>758,075</i>	<i>518,075</i>	<i>510,572</i>	<i>7,503</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(755,075)</i>	<i>(515,075)</i>	<i>(500,991)</i>	<i>14,084</i>
<b>Other Financing Sources</b>				
Transfers In	750,575	510,575	510,575	0
<i>Net Change in Fund Balance</i>	<i>(4,500)</i>	<i>(4,500)</i>	<i>9,584</i>	<i>14,084</i>
<i>Fund Balance Beginning of Year</i>	<i>74,552</i>	<i>74,552</i>	<i>74,552</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$70,052</i>	<i>\$70,052</i>	<i>\$84,136</i>	<i>\$14,084</i>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Improvement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$110,000	\$110,000	\$115,384	\$5,384
Interest	11,000	11,000	10,939	(61)
<i>Total Revenues</i>	121,000	121,000	126,323	5,323
<b>Expenditures</b>				
Capital Outlay	205,000	205,000	178,631	26,369
<i>Net Change in Fund Balance</i>	(84,000)	(84,000)	(52,308)	31,692
<i>Fund Balance Beginning of Year</i>	367,274	367,274	367,274	0
<i>Fund Balance End of Year</i>	<u>\$283,274</u>	<u>\$283,274</u>	<u>\$314,966</u>	<u>\$31,692</u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Viaduct Park Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$313,903	\$316,038	\$273,134	(\$42,904)
<b>Expenditures</b>				
Capital Outlay	260,911	263,046	220,092	42,954
<i>Excess of Revenues Over Expenditures</i>	52,992	52,992	53,042	50
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,117	1,117	1,018	(99)
Transfers Out	(54,109)	(54,109)	(54,060)	49
<i>Total Other Financing Sources (Uses)</i>	(52,992)	(52,992)	(53,042)	(50)
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$406,500	\$553,335	\$552,706	(\$629)
Interest	0	6,500	17,925	11,425
Other	0	0	25,000	25,000
<i>Total Revenues</i>	406,500	559,835	595,631	35,796
<b>Expenditures</b>				
Capital Outlay	864,573	1,687,116	1,299,904	387,212
<i>Excess of Revenues Under Expenditures</i>	(458,073)	(1,127,281)	(704,273)	423,008
<b>Other Financing Sources</b>				
Transfers In	0	567,900	567,900	0
<i>Net Change in Fund Balance</i>	(458,073)	(559,381)	(136,373)	423,008
<i>Fund Balance Beginning of Year</i>	138,441	138,441	138,441	0
Prior Year Encumbrances Appropriated	464,573	464,573	464,573	0
<i>Fund Balance End of Year</i>	<u>\$144,941</u>	<u>\$43,633</u>	<u>\$466,641</u>	<u>\$423,008</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Turney Road Improvement Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	<u>370,944</u>	<u>370,944</u>	<u>370,944</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(370,944)	(370,944)	(370,944)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>370,944</u>	<u>370,944</u>	<u>370,944</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, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,873,975	\$3,373,975	\$3,186,000	(\$187,975)
Other	7,500	7,500	9,304	1,804
Interest	78,000	78,000	26,212	(51,788)
General Obligation Bonds Issued	0	0	1,855,000	1,855,000
<i>Total Revenues</i>	<u>2,959,475</u>	<u>3,459,475</u>	<u>5,076,516</u>	<u>1,617,041</u>
<b>Expenses</b>				
Personal Services	407,664	407,664	391,185	16,479
Contractual Services	2,231,352	2,675,597	2,342,872	332,725
Materials and Supplies	34,678	34,678	34,678	0
Capital Outlay	365,484	365,484	356,441	9,043
Other	89,909	89,909	89,909	0
Other Non-Operating	37,202	37,202	37,202	0
Debt Service:				
Principal Retirement	135,000	135,000	135,000	0
Interest and Fiscal Charges	83,338	83,338	83,335	3
Bond Issuance Costs	0	75,000	37,201	37,799
<i>Total Expenses</i>	<u>3,384,627</u>	<u>3,903,872</u>	<u>3,507,823</u>	<u>396,049</u>
<i>Net Change in Fund Equity</i>	(425,152)	(444,397)	1,568,693	2,013,090
<i>Fund Equity Beginning of Year</i>	1,503,737	1,503,737	1,503,737	0
Prior Year Encumbrances Appropriated	<u>378,847</u>	<u>378,847</u>	<u>378,847</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,457,432</u>	<u>\$1,438,187</u>	<u>\$3,451,277</u>	<u>\$2,013,090</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,025,000	\$2,025,000	\$2,196,074	\$171,074
Other	10,000	10,000	0	(10,000)
Interest	50,000	50,000	58,046	8,046
General Obligation Bonds Issued	722,000	722,000	725,000	3,000
Proceeds of OWDA Loans	0	2,419,647	1,468,955	(950,692)
Proceeds of OPWC Loans	0	1,890,000	92,565	(1,797,435)
Other Non-Operating	297,835	297,835	297,835	0
<i>Total Revenues</i>	<i>3,104,835</i>	<i>7,414,482</i>	<i>4,838,475</i>	<i>(2,576,007)</i>
<b>Expenses</b>				
Personal Services	350,882	792,561	752,079	40,482
Contractual Services	2,202,045	2,171,497	95,521	2,075,976
Materials and Supplies	111,349	111,349	111,349	0
Capital Outlay	77,956	2,824,011	2,702,385	121,626
Other	0	294,653	294,653	0
Other Non-Operating	19,042	19,042	19,042	0
Debt Service:				
Principal Retirement	517,028	1,168,247	1,168,247	0
Interest and Fiscal Charges	153,785	369,742	369,680	62
Bond Issuance Costs	0	20,294	20,294	0
<i>Total Expenses</i>	<i>3,432,087</i>	<i>7,771,396</i>	<i>5,533,250</i>	<i>2,238,146</i>
<i>Net Change in Fund Equity</i>	<i>(327,252)</i>	<i>(356,914)</i>	<i>(694,775)</i>	<i>(337,861)</i>
<i>Fund Equity Beginning of Year</i>	<i>1,563,175</i>	<i>1,563,175</i>	<i>1,563,175</i>	<i>0</i>
Prior Year Encumbrances Appropriated	270,472	270,472	270,472	0
<i>Fund Equity End of Year</i>	<i>\$1,506,395</i>	<i>\$1,476,733</i>	<i>\$1,138,872</i>	<i>(\$337,861)</i>

**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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,539,380	\$1,539,380	\$1,539,888	\$508
Interest	2,300	2,300	6,219	3,919
<i>Total Revenues</i>	<u>1,541,680</u>	<u>1,541,680</u>	<u>1,546,107</u>	<u>4,427</u>
<b>Expenses</b>				
Contractual Services	242,700	242,700	223,366	19,334
Claims	1,298,850	1,298,850	1,189,814	109,036
<i>Total Expenses</i>	<u>1,541,550</u>	<u>1,541,550</u>	<u>1,413,180</u>	<u>128,370</u>
<i>Net Change in Fund Equity</i>	130	130	132,927	132,797
<i>Fund Equity Beginning of Year</i>	<u>133,232</u>	<u>133,232</u>	<u>133,232</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$133,362</u></u>	<u><u>\$133,362</u></u>	<u><u>\$266,159</u></u>	<u><u>\$132,797</u></u>

## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

**City of Bedford, Ohio**  
*Governmental Revenues by Source  
and Expenditures by Function (1) (2)*  
Last Ten Years

	2002	2001	2000	1999
Taxes (3)	\$13,344,953	\$14,351,392	\$13,995,566	\$12,809,256
Charges for Services	574,762	470,216	450,995	443,085
Fees, Licenses and Permits	138,713	119,478	127,469	137,676
Fines and Forfeitures	1,043,171	1,159,891	818,085	1,058,403
Intergovernmental	3,087,774	2,476,698	1,192,488	992,445
Special Assessments	374,681	0	0	0
Interest	449,195	1,099,035	1,094,591	696,567
Other	227,074	915,115	592,867	813,867
<b>Total</b>	<b>\$19,240,323</b>	<b>\$20,591,825</b>	<b>\$18,272,061</b>	<b>\$16,951,299</b>
<b>Expenditures</b>				
Current:				
General Government	\$3,588,172	\$3,526,175	\$3,478,323	\$3,290,867
Security of Persons and Property: (4)		5,936,959	5,824,821	5,235,581
Police	3,841,773	N/A	N/A	N/A
Fire	2,889,019	N/A	N/A	N/A
Public Health and Welfare	217,804	232,125	195,743	189,367
Leisure Time Activities	1,277,894	1,010,467	1,072,776	1,003,178
Community Development	1,072,361	615,877	403,115	279,060
Basic Utility Services	729,050	761,940	258,135	271,079
Transportation	1,915,424	1,719,426	1,730,093	1,750,178
Capital Outlay (5)	12,652,137	5,659,045	3,882,535	3,190,558
Debt Service (5)	987,447	N/A	N/A	N/A
<b>Total</b>	<b>\$29,171,081</b>	<b>\$19,462,014</b>	<b>\$16,845,541</b>	<b>\$15,209,868</b>

Source: City financial records

- (1) Includes general, special revenue, debt service and capital projects funds.
- (2) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.
- (3) Includes All Taxes.
- (4) 2002 was the first year subcategories were identified for security of persons and property.
- (5) Capital outlay and debt service were not separated until 2002.



1998	1997	1996	1995	1994	1993
\$12,461,443	\$11,137,575	\$10,751,694	\$10,564,628	\$8,970,787	\$8,249,115
432,307	371,513	352,527	431,027	448,240	500,782
89,822	90,057	86,883	102,639	65,607	54,304
971,021	928,764	796,980	952,502	752,580	956,517
1,021,359	779,666	1,088,484	765,689	1,079,954	1,329,892
0	0	0	0	0	0
573,467	577,087	562,706	600,364	397,256	236,957
532,755	452,884	556,830	454,948	474,788	719,414
<u>\$16,082,174</u>	<u>\$14,337,546</u>	<u>\$14,196,104</u>	<u>\$13,871,797</u>	<u>\$12,189,212</u>	<u>\$12,046,981</u>
\$2,968,997	\$2,863,973	\$2,714,820	\$2,827,048	\$2,830,431	\$2,512,197
5,153,393	5,007,669	4,720,095	4,539,935	4,023,828	3,764,723
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
163,662	159,606	152,745	156,613	144,968	146,703
951,743	939,397	895,481	899,637	845,997	789,681
269,188	212,156	352,100	223,072	192,043	272,428
270,861	269,635	269,286	267,811	266,133	267,365
1,524,296	1,601,997	1,647,163	1,691,032	1,435,693	1,411,205
2,602,904	1,822,755	2,677,077	3,518,172	2,719,078	2,295,179
N/A	N/A	N/A	N/A	N/A	N/A
<u>\$13,905,044</u>	<u>\$12,877,188</u>	<u>\$13,428,767</u>	<u>\$14,123,320</u>	<u>\$12,458,171</u>	<u>\$11,459,481</u>

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

Collection Year	Real Property	Public Utility Property	Tangible Personal Property	Total	Estimated (1) True Values of Taxable Property
2002	\$219,599,500	\$10,282,780	\$45,366,712	\$275,248,992	\$627,427,142
2001	220,742,490	11,224,870	43,255,357	275,222,717	630,692,828
2000	194,046,280	12,821,650	41,445,946	248,313,876	554,417,943
1999	194,520,910	12,856,640	39,817,596	247,195,146	555,774,029
1998	192,314,690	13,137,450	38,919,537	244,371,677	549,470,543
1997	174,698,500	13,793,880	38,537,810	227,030,190	499,138,571
1996	173,358,610	14,082,810	35,114,286	222,555,706	495,310,314
1995	173,375,520	14,798,530	34,329,521	222,503,571	495,355,771
1994	162,324,770	14,813,380	31,013,190	208,151,340	463,785,057
1993	158,963,560	15,326,940	28,866,749	203,157,249	454,181,600

Source: Cuyahoga County, Ohio; County Auditor

- (1) This amount is calculated based on the following percentages:  
 Real property is assessed at thirty-five percent of actual value.  
 Public utility is assessed at eighty-eight percent of actual value.  
 Tangible personal is assessed at twenty-five percent of actual value for capital assets and twenty-four percent for inventory.

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

Collection Year	City of Bedford				Bedford City School District	Cuyahoga County	Total
	General	Pensions	Fire Medic	Total			
2002	\$9.40	\$0.60	\$2.80	\$12.80	\$63.90	\$16.20	\$92.90
2001	9.40	0.60	2.80	12.80	62.50	17.60	92.90
2000	9.40	0.60	2.80	12.80	57.70	16.70	87.20
1999	9.40	0.60	2.80	12.80	57.70	16.70	87.20
1998	9.40	0.60	2.80	12.80	59.00	16.60	88.40
1997	9.40	0.60	2.80	12.80	59.00	16.60	88.40
1996	9.40	0.60	2.80	12.80	59.00	16.60	88.40
1995	9.40	0.60	2.80	12.80	53.40	16.65	82.85
1994	9.40	0.60	0.00	10.00	53.40	17.80	81.20
1993	9.40	0.60	0.00	10.00	53.40	17.80	81.20

City rates do not include 1.5 mills for street lighting assessment.

Source: Cuyahoga County Auditor

**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)
2002	\$2,945,300	\$2,797,393	94.98%	\$150,618	\$2,948,011
2001	2,961,620	2,790,577	94.22	90,090	2,880,667
2000	2,634,161	2,559,951	97.18	73,816	2,633,767
1999	2,643,590	2,547,540	96.37	61,049	2,608,589
1998	2,618,889	2,531,929	96.68	44,305	2,576,234
1997	2,412,697	2,332,212	96.66	105,067	2,437,279
1996	2,397,056	2,329,056	97.16	31,969	2,361,025
1995	2,392,480	2,283,758	95.46	39,321	2,323,079
1994	1,769,522	1,710,717	96.68	32,460	1,743,177
1993	1,742,654	1,687,406	96.83	36,973	1,724,379

Source: Cuyahoga County, Ohio; County Auditor

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

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
100.09%	\$199,186	6.76%
97.27	191,148	6.45
99.99	106,576	4.05
98.68	95,378	3.61
98.37	136,358	5.21
101.02	71,335	2.96
98.50	121,701	5.08
97.10	90,868	3.80
98.51	85,879	4.85
98.95	151,125	8.67

**City of Bedford, Ohio**  
*Special Assessment Levies and Collections (1)*  
*Last Ten Years*

Year	Current Assessments Levied	Current Assessments Collected	Percentage of Current Assessments Collected to Levy	Total Outstanding Delinquent
2002	\$437,358	\$374,681	85.67%	\$117,916
2001	406,922	449,387	110.44	25,415
2000	430,890	423,400	98.26	97,312
1999	444,979	464,480	104.38	65,136
1998	442,626	427,493	96.58	91,263
1997	471,993	480,073	101.71	70,215
1996	480,459	464,114	96.60	73,186
1995	377,057	369,243	97.93	56,841
1994	404,324	417,733	103.32	49,027
1993	368,453	386,414	104.87	62,436

Source: Cuyahoga County, Ohio; County Auditor

(1) These figures represent only amounts certified to and collected by the Cuyahoga County Auditor and does not include prepayments paid directly to the City.

**City of Bedford, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2002*

Total Assessed Property Value	\$275,248,992
Overall Debt Limitation (10 ½ % of Assessed Valuation)	28,901,144
Gross Indebtedness	26,646,702
Less: Ohio Public Works Loans	(49,959)
Ohio Water Development Authority	(8,769,032)
General Obligation Revenue Bonds	(1,070,000)
Special Assessment Bonds	(970,000)
General Obligation Bonds	(3,210,000)
General Obligation Bond Retirement Fund Balance	(84,136)
Net Debt Within 10 1/2% Limitations	12,493,575
Overall Legal Debt Margin Within 10 1/2% Limitations	\$16,407,569
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	\$15,138,695
Gross Indebtedness	26,646,702
Less: Ohio Public Works Loans	(49,959)
Ohio Water Development Authority	(8,769,032)
General Obligation Revenue Bonds	(1,070,000)
Special Assessment Bonds	(970,000)
General Obligation Bonds	(3,210,000)
General Obligation Bond Retirement Fund Balance	(84,136)
Net Debt Within 5 1/2% Limitations	12,493,575
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$2,645,120

Source: City Financial Records

**City of Bedford, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
<b>Direct</b>			
City of Bedford	<u>\$11,755,000</u>	100.00%	<u>\$11,755,000</u>
<b>Overlapping</b>			
Bedford School District	10,191,300	34.26	3,491,539
Cuyahoga County	200,162,636	.97	1,941,578
Greater Cleveland Regional Transit Authority	<u>136,310,000</u>	.97	<u>1,322,207</u>
<i>Total Overlapping Debt</i>	<u>346,663,936</u>		<u>6,755,324</u>
<b>Total</b>	<u><u>\$358,418,936</u></u>		<u><u>\$18,510,324</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 and note debt.



**City of Bedford, Ohio**  
*Ratio of Annual Debt Service Expenditures For  
 General Bonded Debt to Total Governmental Expenditures  
 Last Ten Years*

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service To Total Governmental Expenditures
2002	\$175,000	\$237,383	\$412,383	\$29,171,081	1.41%
2001	263,189	244,230	507,419	19,462,014	2.61
2000	127,260	310,341	437,601	16,845,541	2.60
1999	315,000	54,246	369,246	15,209,868	2.43
1998	297,260	25,440	322,700	13,905,044	2.32
1997	413,260	41,295	454,555	12,877,188	3.53
1996	507,000	59,432	566,432	13,428,767	4.22
1995	628,000	95,337	723,337	14,123,320	5.12
1994	504,000	14,314	518,314	12,458,172	4.16
1993	630,000	23,625	653,625	11,459,481	5.70

Source: City financial records

**City of Bedford, Ohio**  
*Ratio of Net General Obligation Bonded Debt to Assessed  
Value and Net Bonded Debt Per Capita  
Last Ten Years*

Year	Population	Assessed (2) Value	Gross (3) Bonded Debt	Debt Service Monies Available
2002	14,214    b	\$275,248,992	\$11,755,000	\$84,136
2001	14,214    b	275,222,717	5,535,000	74,552
2000	14,214    b	248,313,876	5,775,000	424,738
1999	14,822    a	247,195,146	5,705,000	397,572
1998	14,822    a	244,371,677	1,020,000	470,454
1997	14,822    a	227,030,190	1,315,000	474,396
1996	14,822    a	222,555,706	830,000	524,502
1995	14,822    a	222,503,571	1,085,000	469,304
1994	14,822    a	208,151,340	1,335,000	338,091
1993	14,822    a	203,157,249	0	337,204

Sources:

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

    (a) 1990 Federal Census

    (b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capital
\$11,670,864	4.24%	\$821.08
5,061,777	1.84	356.11
5,350,262	2.15	376.41
5,307,428	2.15	358.08
549,546	0.22	37.08
840,604	0.37	56.71
305,498	0.14	20.61
615,696	0.28	41.54
996,909	0.48	67.26
(337,204)	0.00	0.00

**City of Bedford, Ohio**  
*Revenue Bond Coverage*  
*Water System Bonds (1)*  
*Last Ten Years*

Year	Gross Revenues (2)	Direct Operating Expenses (3)	Net Revenue Available for Debt Service	Annual Debt Service Requirements	Coverage
2002	\$3,292,588	\$2,864,202	\$428,386	\$113,284	3.78
2001	3,033,056	2,606,282	426,774	257,706	1.66
2000	2,851,050	2,412,977	438,073	259,521	1.69
1999	2,787,451	2,457,104	330,347	256,259	1.29
1998	2,677,666	2,120,844	556,822	266,159	2.09
1997	2,450,308	2,148,872	301,436	190,699	1.58
1996	2,342,787	1,915,839	426,948	201,523	2.12
1995	2,196,776	1,899,295	297,481	149,873	1.98
1994	2,114,698	1,780,040	334,658	147,213	2.27
1993	1,838,984	1,579,202	259,782	149,463	1.74

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

(2) Gross revenues include operating revenues plus interest income. The revenue amounts were determined in accordance with Generally Accepted Accounting Principles.

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

**City of Bedford, Ohio**

*Demographic Statistics*

December 31, 2002

	2000		1990	
Population	14,214		14,822	
Per Capita Income	\$20,076		\$14,935	
Number of Dwelling Units	7,062		7,074	
Mean Person Per Household	2.00		2.00	
Median Age	39		36	
Percent of Owner-Occupied Dwelling Units	1.00		1.00	
Median Family Income	\$47,142		\$30,082	
<b>Family Income Distribution</b>				
\$0 - \$9,999	536	8.0%	675	10.1%
\$10,000 - \$14,999	599	9.0	540	8.1
\$15,000 - \$24,999	932	14.0	1,366	20.5
\$25,000 - \$34,999	993	14.9	1,423	21.3
\$35,000 - \$49,999	1,469	22.0	1,360	20.4
\$50,000 - \$74,999	1,418	21.2	946	14.2
\$75,000 - \$99,999	411	6.2	188	2.8
\$100,000 - \$149,999	243	3.6	60	0.9
Over \$150,000	77	1.2	23	0.3
<b>Total Families</b>	<b>6,678</b>	<b>100.0%</b>	<b>6,581</b>	<b>100.0%</b>
Median household income	\$36,943		\$30,082	
<b>School Enrollment</b>				
(Persons 3 years and over enrolled in school)				
Preprimary School	198	6.4%	225	7.3%
Elementary or High School	2,196	71.4	1,791	58.3
College	680	22.1	788	25.6
<b>Total School Enrollment</b>	<b>3,074</b>	<b>100.0%</b>	<b>2,804</b>	<b>100.0%</b>
<b>Educational Attainment</b>				
(Persons 25 years and over)				
Less than 9th grade	315	3.0%	461	4.4%
9th to 12th grade, no diploma	1,419	13.7	1,994	19.2
High school graduate	4,141	40.0	4,485	43.3
Some college, no degree	2,004	19.3	1,965	19.0
Associate degree	601	5.8	529	5.1
Bachelor's degree	1,314	12.7	935	9.0
Graduate or professional degree	571	5.5	295	2.8
<b>Total</b>	<b>10,365</b>	<b>100.0%</b>	<b>10,664</b>	<b>100.0%</b>
Percent high school graduate or higher	83.0%		77.0%	
Percent bachelor's degree or higher	18.0%		11.5%	

Source: 2000 and 1990 Federal Census Data.

**City of Bedford, Ohio**  
*Employment Distribution by Occupation*  
*December 31, 2002*

Employed Persons 16 years and older	Number Employed	Percent of Total
<b>2000 Census</b>		
Management, Professional and related occupations	1,888	24.37%
Service	989	12.76
Sales and Office	2,105	27.17
Farming, Forestry and Fishing	0	0.00
Construction, Extraction and Maintenance	691	8.92
Production, Transportation and Material Moving	1,306	16.86
<b>Total Employment</b>	<b>6,979</b>	<b>100.00%</b>
<b>1990 Census</b>		
Executive, Administrative and Managerial	893	11.53%
Professional Specialty	733	9.46
Technician and Related Support	400	5.16
Sales	775	10.00
Administrative Support, Including Clerical	1,575	20.33
Private Household Service	4	0.05
Protective Service	176	2.27
Other Service	655	8.45
Farming, Forestry and Fishing	91	1.17
Precision Production, Craft and Repair	1,090	14.07
Machine Operators, Assemblers and Inspectors	760	9.81
Transportation and Material Moving	285	3.68
Handlers, Equipment Cleaners, Helpers and Laborers	311	4.01
<b>Total Employment</b>	<b>7,748</b>	<b>100.00%</b>

Source: 2000 and 1990 Federal Census Data.

**City of Bedford, Ohio**  
*Property Value, Construction and Bank Deposits*  
*Last Ten Years*

Year	Commercial Construction Value (1)	Residential Construction Value (1)	Assessed Valuation		Domestic Bank Deposits in the County (2) (in thousands)
			Commercial (1)	Residential (1)	
2002	\$1,347,820	\$158,700	\$81,783,120	\$137,816,380	\$95,761,917
2001	390,460	488,750	82,927,810	137,814,680	63,893,769
2000	2,635,510	135,290	73,536,000	120,510,280	61,942,764
1999	133,720	478,740	74,290,830	120,230,080	57,816,942
1998	3,163,910	326,110	72,248,380	100,066,310	58,904,596
1997	1,443,720	255,060	66,819,150	107,879,350	53,941,971 (3)
1996	292,860	429,170	65,784,730	107,592,970	27,068,211
1995	1,347,090	175,660	65,635,380	107,740,140	22,458,573
1994	81,480	32,990	64,090,850	98,233,920	20,885,453
1993	4,565,290	144,390	60,752,690	98,210,870	21,009,421

Sources:

(1) Cuyahoga County Auditor

(2) Federal Reserve Bank of Cleveland

(3) Large increase in deposits due to KeyBank becoming a single charter in 1997.

**City of Bedford, Ohio**

*Water Utility Statistics*

*Last Ten Years*

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	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Water Purchased from Cleveland	103,021.00	99,888.00	92,297.30	96,284.10
Water Sold (Billed) to Users	79,344.80	72,252.40	71,872.70	72,083.20
Percent of Water Billed	77.02%	72.33%	77.87%	74.87%
Water Billings	\$3,110,707	\$2,769,579	\$2,652,814	\$2,490,431
Water Collections	\$3,169,607	\$2,833,238	\$2,640,467	\$2,622,742
Percentage Collected from Billings	101.89%	102.30%	99.53%	105.31%
Payments to City of Cleveland	\$2,350,234	\$2,241,518	\$2,003,510	\$1,963,562
Percentage of payments to the City of Cleveland compared to total water collections	74.15%	79.12%	75.88%	74.87%

Source: City of Bedford Water Department



1998	1997	1996	1995	1994	1993
91,019.00	98,323.00	93,168.00	92,636.00	90,935.00	84,309.00
76,645.00	81,792.30	82,624.50	79,403.10	84,595.30	73,034.00
84.21%	83.19%	88.68%	85.72%	93.03%	86.63%
\$2,440,326	\$2,252,733	\$2,411,822	\$2,127,240	\$1,970,492	\$1,742,175
\$2,485,012	\$2,318,566	\$2,335,941	\$2,177,506	\$2,014,565	\$1,779,757
101.83%	102.92%	96.85%	102.36%	102.24%	102.16%
\$1,742,379	\$1,730,477	\$1,516,000	\$1,440,398	\$1,305,260	\$1,125,208
70.12%	74.64%	64.90%	66.15%	64.79%	63.22%

**City of Bedford, Ohio**

*Principal Taxpayers*

*December 31, 2002*

<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Bear Creek Property Company	\$6,660,605	2.42%
Meadowbrook Development Corporation	5,634,755	2.05
Cleveland Electric Illuminating Company	4,581,675	1.66
Bedford Colony Club Apartments	4,075,190	1.48
Ohio Bell Telephone Company	3,333,470	1.21
Aspen Woodside Village LLC	3,097,570	1.13
Pick - N - Pay Supermarkets, Inc.	2,700,005	0.98
Ben Venue	2,713,130	0.99
Colony Club Apartments	1,829,905	0.66
WXI/MCN Subs. Ii Real Estate	1,642,025	0.60
Bedford Place	1,244,250	0.45
Euclid Clinic	1,243,830	0.45
Fourteen Plus LLC	1,194,935	0.43
Cooper-Lum Land Company	1,085,630	0.39
Galahad LLC	1,085,000	0.39
FB Properties LLC	1,057,000	0.38
Kaiser Foundation	884,450	0.33
Holcyan Homes Corporation	860,545	0.32
Pillman LLC	842,835	0.31
Sovrain Acquisition Limited	837,200	0.30
Total	<u>\$46,604,005</u>	<u>16.93%</u>
Total Assessed Valuation	<u>\$275,248,992</u>	<u>100.00%</u>

Source: Cuyahoga County Auditor

**City of Bedford**  
*Miscellaneous Statistics*  
*December 31, 2002*

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Year Became a Township	1797
Date of Incorporation as a Village	March 15, 1837
Date of Incorporation as a City	January 1, 1932
City Charter Adopted	November 4, 1930
Form of Government	Council/Manager
Land Area:	
Total Acres	3423.8
Square Miles	5.6
Miles of Streets	48
Fire Protection:	
Number of Stations	1
Number of Fireman and Officers	29
Police Protection:	
Number of Stations	1
Number of Policeman and Officers	30
Number of Auxiliary Police	19
Number of Dispatchers - Full-time	6
Number of Dispatchers - Part-time	4
Sewers:	
Miles of Storm Sewer	48.7
Miles of Sanitary Sewer	41.8
Buildings:	
2002 Permits Issued	181
2002 Valuation of Construction	\$1,506,520
Parks and Recreation	
Number of Parks	4
Number of Pools	1
Number of Ice Rinks	0
Number of Tennis Courts	0
Number of Skateboarding areas	1
Number of Baseball Diamonds	7
Number of Tot Lots	4
Number of Soccer Fields	1

Source: City of Bedford, Building Department and Finance Department





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF BEDFORD**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 19, 2003**