



Dave Yost • Auditor of State



CITY OF BEDFORD  
CUYAHOGA COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the 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, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 13, 2014.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 13, 2014

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**City of Bedford, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2013*  
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# CITY OF BEDFORD OHIO

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June 13, 2014

Honorable Mayor Stan Koci  
Members of City Council  
Citizens of Bedford, Ohio

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

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ending December 31, 2013 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State has issued an unmodified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2013. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

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

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

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

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

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

**The Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2013 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall. The City formed a Regional Council of Governments between Bedford, Euclid, Bedford Heights, Garfield Heights, and Maple Heights to provide 911 dispatch services. The operations of the dispatch center will be provided by the South East Communications Center (SECC). Most of the equipment and communication costs are expected to be funded through grants.

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

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

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

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

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

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

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

**The Municipal Income Tax Department** is responsible for the collection of the municipal income tax from 6,336 resident returns, 2,550 business net profits returns and the collection from 862 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, credit card and electronic check tax payments, as well as free preparation in-house service for the municipal income tax returns.

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

**The Building Department** is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections and licenses all contractors. The department works with qualifying residents to improve their housing through various CDBG housing grant programs. These programs provide funding for the purchase of homes, repairs and sale of homes to be reinvested again into the same programs. Depending upon the program, costs may be incurred to qualifying residents.

## **Economic Condition and Outlook**

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

The City is in progress to complete a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation completed the construction of their headquarters building, left the facility and is now occupied by the company Art of Beauty. Art of Beauty is expected to bring in 50 new jobs to Bedford and may increase their employment by an additional 20 employees.

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

Within a period of 5 years after completion of construction, Hemisphere was to create 3 new jobs and transfer 5 current jobs to the site. Hull & Associates was to create 16 new jobs and transfer 29 jobs to the site and in total both companies were to create additional payroll of \$1,300,375. Current combined annual payroll of all companies is \$2,138,985.

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

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

Ben Venue Laboratories: Going back to 1995, Ben Venue employed 419 employees and operated within their 250,000 square foot facility. From 1996 to present, Ben Venue approached the City for abatements in the Community Reinvestment area, regarding Real Estate development and tax exemptions to be able to conduct various expansion projects.

Ben Venue was able to continue to grow within their Bedford, OH, location, their headcount increased up to 1,343; however, at the end of 2013 Ben Venue stopped production of all products and still employs around 400 employees within 1 million square foot of manufacturing area. The current management of the company is considering closing the operation of the facility altogether. The City's goal is to work with a suitor(s) to obtain the property and products and allow continued production of pharmaceutical drugs at this site.

### The Penske Auto Group Improvements

As stated by the Penske Auto Group administration:

“Penske Automotive Group has collectively decided to double down on our commitment to the Bedford Automile and gentrify over 22 acres of automotive retail space bridging Audi, Toyota, Scion, Smart and

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

### The Ganley Auto Group – Bedford, Ohio

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

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

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

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

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

The Ganley Real Estate Co., owning both Volkswagen and Subaru created 38 new jobs and retained the 42 jobs already existing in Ohio for an additional payroll of \$2.4 million to the City.

The Ganley Real Estate Co. of Bedford is expected to create 50 new jobs for the City of Bedford, while retaining the 42 jobs already existing in Ohio, for an additional payroll of \$1.9 million and has exceeded this already.

The Ganley Real Estate Co. finished constructing in 2007, a new approximately 8,100 square foot building to expand its Subaru operations (the previously occupied building). The company invested approximately \$4 million in buildings and service center, site work, new machinery and equipment, furniture & fixtures and inventories. The Company created 42 new jobs and created an additional payroll of \$1.7 million. The City utilized our Jobs creation program in lieu of abatement affecting the school district as an incentive to do business in the City. The City will grant 6 years of non-tax dollars based upon the payroll amount and income taxes paid reported at year-end.

In 2008 a Wal-Mart Super Store was completed at a cost of \$7.5 million dollars. The Wal-Mart store created 700 new jobs at a payroll of \$6,490,033 each year. Overall income tax dollars received by the City was \$146,026 in 2013 and \$152,480 in 2012. Real estate value was placed at \$6.6 million dollars and real estate taxes for 2013 were over \$420,534 and the total estimated revenue to be received by the City (including Real Estate Taxes) is over \$230,000 annually.

### Major Initiatives

During the fiscal year ended December 31, 2013, the City completed or made substantial progress toward several major goals or projects.

**The following are projects completed during the years 2010, 2011, 2012 and 2013. The City leveraged its funds and received various grants in completing these projects:**

The City Issued General Obligation Bonds in the amount of \$7,640,000 in 2013. Along with this new debt the City performed a refunding in the total amount of \$835,000, of the 2002-2 Various Purpose Long Term General Obligation bonds (VPLTGO) utilizing \$500,000 of municipal court cash on hand to pay off debt early. The City also performed a refunding of \$925,000, of the 2002 VPLTGO bonds. The City received an additional \$207,362 in premiums and paid \$22,804 in discounts to obtain an overall net interest cost of 2.57 percent with a true interest cost of 2.67 percent, and an the average life (in years) of 10.335. Total bond proceeds were \$8,363,457.

These Bonds were issued to pay for the following projects including issuance costs:

Improvements and resurfacing to 22 streets	
The Broadway water main line	
Wastewater plant improvements on 21 projects	
Refunding of 2002-2 Various Purpose Long-term General Obligation Bonds	
Refunding of 2002 Various Purpose Long-term General Obligation Bonds	
Total Bond Proceeds	<u>\$8,363,457</u>

In 2013, the rating agency of **Standard & Poor's** maintained the City's Bond rating at the **AA level**, while **Moody's Investor Services** assigned and maintained the City rating at **Aa2**.

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

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

<i>General Fund:</i>	<u>Actual Costs</u>	<u>Borrowed</u>
Case 621 EXR Articulated Loader (front end loader)	\$125,017	\$130,000
Broadway Cluvert Bridge Wood Creek	753,869	125,000
Roadways - Street Improvement 2010	1,653,706	1,640,000
<i>Public Safety Fund:</i>		
Ambulance Squad	210,878	250,000
<i>Water Fund:</i>		
Water Meters	187,266	350,000
Solon Road Water Main Replacement	576,184	680,000
Grand Boulevard/Magnolia Water Main Replacement	1,025,084	595,000
<i>Waste Water Fund:</i>		
Heather Road Rehabilitate Walls	1,854	40,000
Repace Telemetry - All Stations	21,661	160,000
Maple Dale Road Standby Generator	52,942	75,000
Various Plant Improvements	1,509,448	1,045,000
<b>Totals</b>	<u><u>\$6,117,909</u></u>	<u><u>\$5,090,000</u></u>

State Issue II grant funds Ohio Public Works Commission (OPWC) in the form of a 20 year interest free loan was applied for and received for the Broadway Culvert & Bridge in the amount of \$518,349. The City used the bond proceeds as matching funds, to obtain the OPWC grant in the amount of \$125,000.

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

In 2010, the rating agency of **Standard & Poor's** upgraded the City's Bond issue(s) to an **AA level** while **Moody's Investor Services** recalibrated the City's debt in 2009 and assigned the City a rating of **Aa2**.

The City Council and the Administration went to the voters to pass a permanent 8.9 mill Safety Forces Levy on November 3, 2009. The levy passed (71 percent), and the City received \$2.312 million in 2013 from this levy.

In 2014, in the event of a qualifying action related to the federal direct payment subsidy of Build America Bonds (BABs), and economic conditions allow, the City will issue General Obligation Bonds not to exceed \$3,150,000 for the purpose of refunding at a lower rate the series 2010B bonds dated September 9, 2010 for sanitary sewers, repaired streets, vehicles and water improvements.

A total deficit of \$2.7 million per year was estimated in 2009, due to the reduced revenues from State funded sources (\$700,000 per year) (inheritance taxes, personal property taxes, and local government funds) and \$2.0 million less revenues from Net Profit taxes from businesses annually. Based upon the receipt of the above levy funds, the City was able to balance the budget for 2010, 2011, 2012 and 2013 in the general fund.

The City is facing more cuts in revenue passed through from the State of Ohio; this includes three of the City's larger revenue sources: Inheritance (Estate) tax filings will no longer be performed and collected as of January 1, 2013 and will cost the City an additional \$278,000 per year. The Local Government Fund was reduced 50 percent in 2012, and in 2013. This led to a loss of revenue in the amount of \$203,506 in 2012 and \$387,000 in 2013 and thereafter. Finally the last loss of revenue was from the accelerated reduction in the CAT tax currently replacing the City's past personal property tax. This tax was eliminated in 2012, also, resulting in an annual reduction of revenue totaling \$462,672 per year. These cuts from the State will now require the City to make an additional \$1,127,672 in adjustments to its future budgets.



The City had a six year reappraisal from the County, stating that the City's 2012 tax year, collected in 2013 overall real estate taxes valuation was reduced from a value per mill of \$268,142 to \$238,173. The City's current voted millage is at 21.7 mills. The 2013 Real estate values per mill remained similar at \$235,730.

The City administration prepared and, through Council, adopted the 2013 annual budget (appropriations) before December 31, 2013; thereby allowing the City Departments to bid early in the spring to take advantage of lower bids on construction costs and allow more efficiency in preparing for recreational activities of the summer. The City will be looking at more ways to reduce more spending and increase revenues in the budget for 2014.

Various types of grants received in 2013:

The City was awarded two grants in 2013 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program in the amount of \$38,800 and from the law enforcement fund \$127,446. However, the program also utilizes confiscated funding from past years. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars were \$134,561 in 2013, \$92,707 in 2012 and \$258,211 in 2011. This year's total revenue received from all sources was \$458,768.

Community Development Grant for the Historic Bedford Auto Mile on Rockside Road in the amount of \$150,000 with a match from the City of \$40,525.

- A 2012 -2013 AFG grant was awarded to the Fire department in the amount of \$168,856 for Self Contained Breathing Apparatus (SCBA); The City will match \$8,887. The Fire department was awarded a FEMA SAFER Grant 2013-2014 in the amount of \$359,174 for two years and it pays for two fire fighters to be added to the department. This addition of employees will allow the Fire department to operate two ambulance squads instead of one.

Other projects:

- Computer upgrades were performed in the Police Department in the amount of \$29,900 for hardware and software upgrades in 2013.
- The street lighting rate of millage was increased in the 2013 tax budget for collection in 2014 to 1.2 mills as the County decreased its valuation of City property. Prior to this, the City was at 1.1 mills. Cuyahoga County performed its six-year reappraisal of industry and residential property values in 2009. Due to the economy and housing foreclosure problems, the County estimated that the collections on real estate taxes for tax year 2013 would have a delinquency rate of 6.46 percent. The actual delinquency rate for the 2012 tax year collected in 2013 (not reflected in the figures below) is around 8.22 percent per County reports.

The figures below reflect both current and delinquency collections.

**General Fund estimated Real Estate Collections in (000's)**

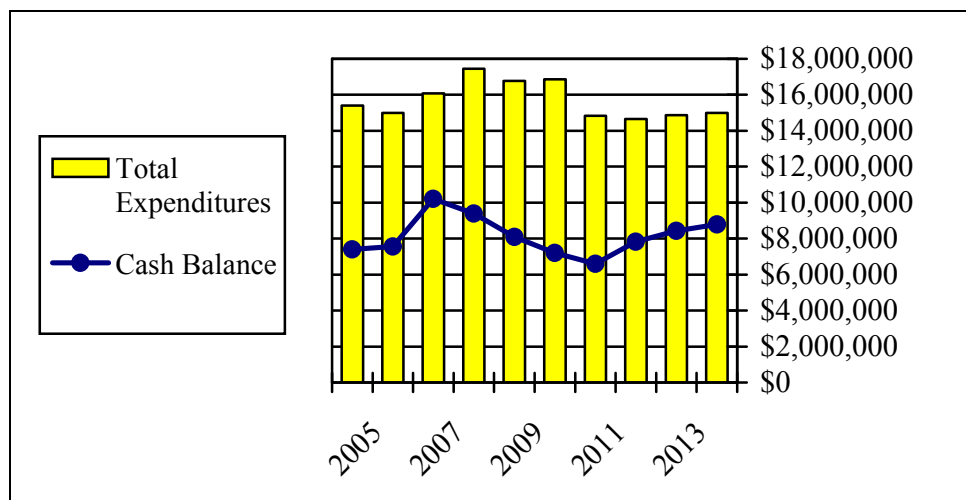
	<u>At 100 Percent</u>	<u>Estimated</u>	<u>Actual</u>
2009 for Collection in 2010	\$2.573	\$2.414	\$2.487
2010 for Collection in 2011	2.523	2.381	2.462
2011 for Collection in 2012	2.521	2.280	2.182
2012 for Collection in 2013	2.001	2.001	2.020
2013 for Collection in 2014	2.216	2.073	n/a

- The City realized its last 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 the City is charging today (\$4 million has been saved to date).
- The Tax Department utilized the Ohio GFOA Innovation in Public Finance Award winning on-line income tax preparation system for the past ten years throughout the 2013 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of this system found it accurate and available for use 24 hours a day. The program allows the taxpayer convenience of this preparation in the comfort of their home or office.
- The Bedford Fire Department performed 1,802 ambulance runs in the year 2013. The ambulance runs generated reimbursement revenue in the total amount of \$418,560 in 2013, \$436,301 in 2012, and \$459,828 in 2011. The City pays a 7 percent administrative billing costs to Great Lakes Billing Company on an annual basis.
- The City established a HUD housing fund to own and rehabilitate houses for resale. The City purchased 17 houses from \$1 to \$30,100. The City was able to sell 7 houses out of the 17 for a combined net loss of \$70,280. However, the City's general fund advanced \$834,846 to date for these 17 houses. The current advance balance to be paid back to the general fund is \$415,482. The first house was purchased in December of 2007. The City has expended \$1,386,383 overall, while the sale of homes has brought in \$985,357 to date. The City benefits by improved appearance of homes in the neighborhood and long term ownership of homes.
- The City has been self-insured regarding health insurance costs for our employees for the past 19 years. In 2013, the City lost funds from this type of program at around \$512,000 and \$700,000 in 2012 versus a premium plan program. However, the estimated savings to the general fund from being self-insured to date for the past 20 years is over \$1,543,080.

**Financial Information**

**Long-term financial planning**

As you can see from the following graph, the general fund ended the year with a cash balance of \$8,794,502. The 2013 ending operating cash balance represented 58.63 percent of the total general fund expenditures or 214 days of general fund operating expenditures. This cash balance falls above the City's general fund balance written policy and to the rating agencies of maintaining a minimum required balance of \$5.8 million dollars in the general fund.



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

## **Accounting Policies and Budgetary Control**

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

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

The annual budget serves as the foundation for the City of Bedford's financial planning and control. The level of budgetary control is at the department level. All non-fiduciary funds are budgeted annually. The City also controls its expenditures at levels of personal services and all other expenditures as required by the City's Charter. The City did have amendments to the original appropriations ordinance to account for new funds and increased grants received during 2013.

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

## **Internal accounting and reporting control**

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

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

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

## **General Fund Balance Policy**

The City has a formal general fund unassigned balance and reserve policy to maintain 15 percent of general fund's appropriations. The current reserve is set at \$5.8 million. These amounts represented, as stated above a 58.63 percent fund balance to operating expenditures ratio. The \$5.8 million balance is reserved to cover any future negative changes to our largest taxpayers.

## **Debt Policy**

The City has a debt policy, which has been utilized recently and analyzed yearly. Our latest general obligation debt issuance was \$5.03 million in 2013. The City also issued a \$5.1 million debt issue in 2010. In 2013 the City issued general obligation debt for streets, water and wastewater plant improvements. The City refunded the prior 2002 and 2002-2 bond issues, as well as will look to refund the 2010 BAB's (Build America Bonds) when the economy is attractive for refunding. Our debt issues are in line with our debt capacity and in line with our affordability requirements. The City issued this debt for projects and improvements deemed necessary, timely, and affordable by the Administration and City Council.

## **Investment Policy**

Cash management is a vital component in the City's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income from governmental activities during 2013 was \$26,397, \$20,824 in 2012 and \$108,763 in 2011.

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

## **Independent Audit**

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. The Auditor of State of Ohio's office performed these services for 2013, and an unmodified opinion is presented in the financial section.

## **Certificate of Achievement**

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

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

A Certificate of Achievement is valid for a period of one year only. The 2012 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 2013 Comprehensive Annual Report to the GFOA for award consideration.

## Acknowledgments

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

## Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA  
Finance Director



Michael S. Mallis  
City Manager

**City of Bedford, Ohio**  
*List of Principal Officials*  
*December 31, 2013*

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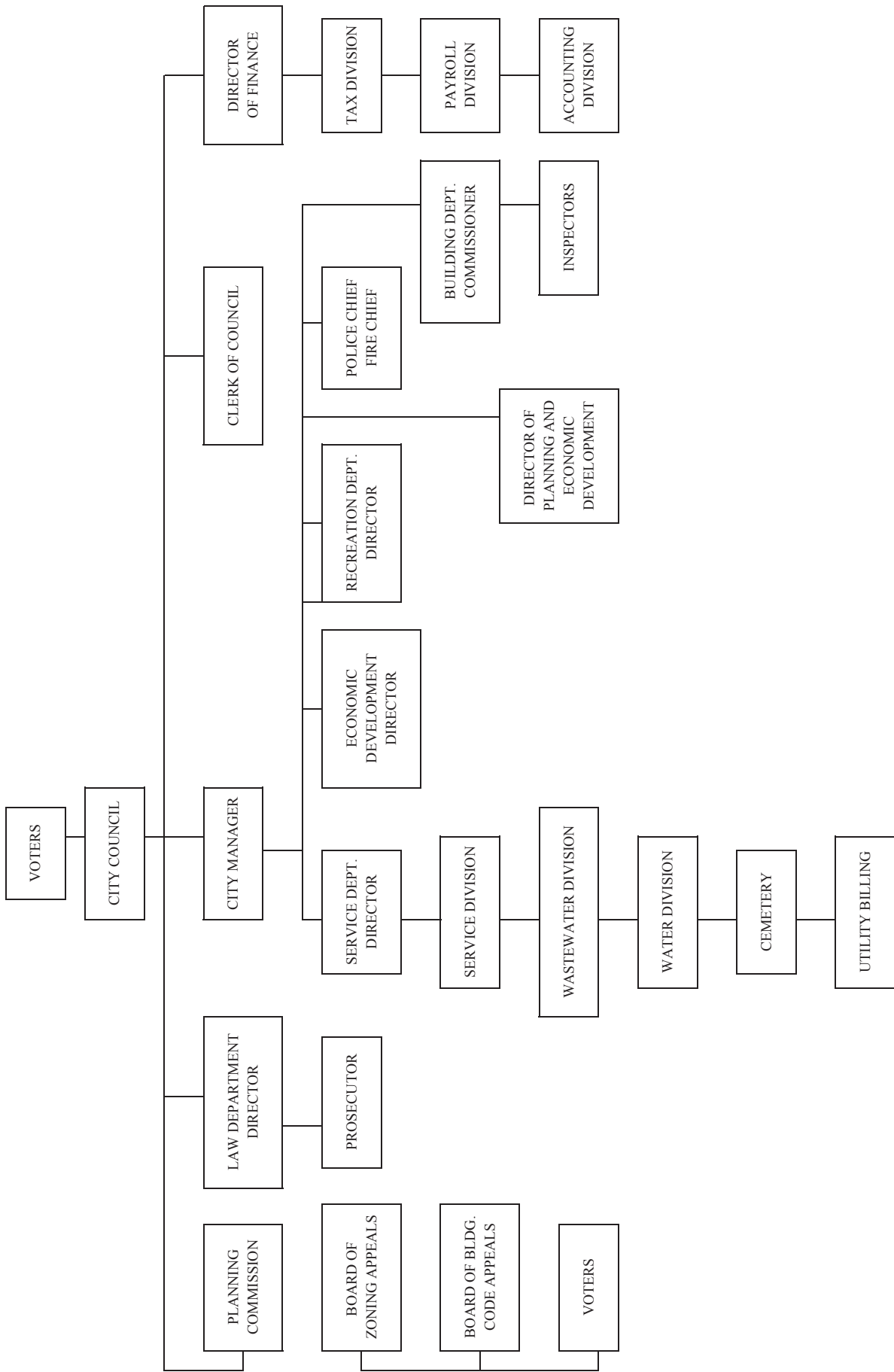
***Elected Officials***

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

***Appointed Officials***

City Manager .....	Henry J. Angelo *
Director of Finance .....	Frank C. Gambosi
Law Director .....	Vacant **
Clerk of Council.....	Lorree Villers
Director of Economic and Community Development.....	Michael S. Mallis
Building Commissioner (Acting).....	Calvin Beverly
Service Director .....	Clint E. Bellar
Superintendent of Public Works .....	Shawn Francis
Chief of Fire.....	David V. Nagy
Police Chief.....	Kris Nietert
Director of Recreation .....	Randall J. Lewis
* Acting City Manager 02/01/2014 .....	Michael S Mallis
** Acting Law Director 01/01/2014 .....	John Montello

**ORGANIZATIONAL CHART  
CITY OF BEDFORD, OHIO**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bedford**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Public Safety Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 13, 2014

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**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*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, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

***Financial Highlights***

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent year (2013) by \$50,085,120 compared to \$49,326,661 at the end of 2012. Of this amount, the governmental activities \$12,257,378 in (2013) and \$11,095,401 in (2012) may be used to meet the government's ongoing obligations to citizens and creditors provided it is expended or transferred according to the charter of the City of Bedford and/or the general laws of Ohio.
- Capital assets of governmental activities decreased by \$1,119,671, which represents a 3.58 percent decrease from 2012. Capital assets of business-type activities increased \$1,258,278, which represents an 8.06 percent increase from 2012. Overall capital assets increased due to current year acquisitions outpacing current year depreciation. The City issued general obligation debt in 2013 to improve: streets, the Broadway Avenue water line, and many wastewater plant improvements including replacing the Primary Digester Floating Cover, and replacing pumps in 5 stations and 18 other plant improvements. The City issued tax exempt bonds to make the improvements.
- The total amount of general obligation bonds issued in 2013 was \$7,640,000. The debt is to be paid from the following revenue sources: Water and Wastewater general obligation bonds with applicable water and sewer rates billed to utility users to pay for the annual debt service. The resurfacing and improvements of streets are to be paid from the 3.28 inside mills of real estate taxes collected in the general fund; however, the annual general obligation bonded debt amount is then paid from the general obligation debt service fund after transfers of monies are made into this fund, from the general fund.
- Along with this new debt the City performed a refunding in the total amount of \$830,000, of the 2002-2 Various Purpose Long Term General Obligation bonds (VPLTGO) utilizing \$500,000 of municipal court cash on hand to pay off debt to trustee. The City also performed a refunding of \$920,000 of the 2002 VPLTGO bonds. The City received an additional \$207,361 in premiums and paid \$22,804 in discounts to obtain an overall net interest cost of 2.57 percent with a true interest cost of 2.67 percent and an average life (in years) of 10.335.
- In 2013, the rating agency of **Standard & Poor's** maintained the City's Bond rating at the **AA level**, while **Moody's Investor Services** assigned and maintained the City rating at **Aa2**.
- Total current governmental assets increased by \$218,379 due to: more cash on hand from the borrowed funds, and increases in income tax receivables. One of the major reasons for the increase in total governmental revenues is attributable to an increase in the municipal income tax collections; however, slight increases occurred with grants and entitlements. Decreases in revenues were associated with property taxes. This was due to a decline in interest rates, while decreases in Intergovernmental receivables were due to the State cuts in the Commercial Activity Tax, local government tax and less reimbursements from Housing Improvement NSP Grants.
- Total current liabilities of governmental activities decreased over 2012 by \$273,636. This was due to a decrease in medical claims payable in the amount of \$157,543, and a decrease in intergovernmental payables in the amount of \$217,859 was due to pension payments to the State of Ohio's Police & Fire Pension system changing from quarterly payments to monthly at the beginning of 2013. An increase in

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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accounts and wages payable occurred in the amounts of \$66,450 and \$29,808 respectively. The business-type activities current liabilities increased by \$65,601 during the current year. This increase was due to more projects starting and increases in retainage on projects not yet completed.

- The total municipal income tax revenues for all funds in 2013 were \$10,684,058 versus \$9,934,242 in 2012. This equates to a \$749,816 (7.55 percent) increase in income tax revenue. At year end comparatively the delinquency and balances due increased by \$53,479 and \$382,430 respectively. The cash basis of accounting shows, the individual payments increased by \$148,808, The withholding from businesses decreased by (\$272,395), while the municipal net profit income taxes paid by businesses decreased slightly again (\$13,931) for the tax year 2013. Ben Venue Laboratories announced in the last quarter of 2013 that they were ceasing production of goods. They continued to pay income tax withholding on wages for all employees located at this facility throughout the end of the calendar year 2013. Severance pay and bonuses were afforded employees and paid in 2014. Income tax collections are expected to be only slightly effected in 2014 on a cash basis.
- Grants and Entitlements not restricted to specific programs revenues increased due to grant revenues from CDBG projects specifically Bedford Auto Mile improvements on Rockside road.
- The City is committed to providing the Citizens of Bedford with the highest quality of services while maintaining efficiency and cost effectiveness. Overall, governmental activities expenses in 2013 decreased by \$1,139,191 a 4.83 percent decrease over 2012 as a result of decreases in general government part time administrative employees, salt purchases, fuel purchases, less interest and fiscal charges for debt as the City refunded debt issues in 2013. Safety forces payroll decreased due to retirements and timing of new hires. The City actively pursues grants to offset costs of providing services and to offer new programs.

### ***Overview of the Financial Statements***

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

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between all elements reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Bedford is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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

The government-wide financial statements can be found starting on page 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, proprietary and fiduciary funds.

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

**Proprietary Funds** The City of Bedford maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance program of health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements. The proprietary fund financial statements provide separate information for the water and wastewater operations as they are considered major funds. The basic proprietary fund financial statements can be found on pages 28 through 31 of this report.

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds are agency. The fiduciary fund financial statement can be found on page 32 of this report.

**City of Bedford, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

**Notes to the Basic Financial Statements** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes provide a supplement to the financial statements and disclosures that include GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Please see the Statement of Net Position concerning data reporting these changes and the further clarification of Deferred Outflows of Resources and Deferred Inflows of resources. The notes to the basic financial statements can be found on pages 33 through 65 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 66 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 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position and the changes in that position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

**The City of Bedford as a Whole**

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2013 compared to 2012.

**(Table 1)**  
*Net Position*

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and Other Assets	\$24,802,578	\$24,584,199	\$11,097,484	\$6,880,663	\$35,900,062	\$31,464,862
Capital Assets, Net	30,164,898	31,284,569	16,863,467	15,605,189	47,028,365	46,889,758
<i>Total Assets</i>	<u>54,967,476</u>	<u>55,868,768</u>	<u>27,960,951</u>	<u>22,485,852</u>	<u>82,928,427</u>	<u>78,354,620</u>
<b>Deferred Outflows of Resources</b>	<u>\$307,783</u>	<u>\$315,312</u>	<u>\$24,622</u>	<u>\$60,334</u>	<u>\$332,405</u>	<u>\$375,646</u>



**City of Bedford, Ohio**  
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*Unaudited*

**(Table 1)**

*Net Position (continued)*

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Liabilities</b>						
Current and Other Liabilities	\$2,341,802	\$2,615,438	\$585,713	\$520,112	\$2,927,515	\$3,135,550
Long-Term Liabilities:						
Due Within One Year	1,446,477	1,433,041	685,567	1,295,928	2,132,044	2,728,969
Due in More than One Year	12,292,934	12,045,783	11,157,039	6,782,473	23,449,973	18,828,256
<i>Total Liabilities</i>	16,081,213	16,094,262	12,428,319	8,598,513	28,509,532	24,692,775
<b>Deferred Inflows of Resources</b>	4,666,180	4,710,830	0	0	4,666,180	4,710,830
<b>Net Position</b>						
Net Investment in Capital Assets	18,337,265	19,668,123	5,177,762	7,732,350	23,515,027	27,400,473
Restricted:						
Capital Projects	119,889	147,188	0	0	119,889	147,188
Debt Service	449,033	509,480	0	0	449,033	509,480
Municipal Courts	254,776	830,873	0	0	254,776	830,873
Streets	1,215,660	1,115,228	0	0	1,215,660	1,115,228
Community Development	715,120	737,303	0	0	715,120	737,303
Street Lighting	504,173	550,136	0	0	504,173	550,136
Drug Force Violations	162,132	331,639	0	0	162,132	331,639
Other Purposes	512,440	393,617	0	0	512,440	393,617
Unrestricted	12,257,378	11,095,401	10,379,492	6,215,323	22,636,870	17,310,724
<i>Total Net Position</i>	\$34,527,866	\$35,378,988	\$15,557,254	\$13,947,673	\$50,085,120	\$49,326,661

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$49,326,661 at December 31, 2012 and \$50,085,120 at the close of the most recent year.

The largest portion of the City's net position (46.95 percent) reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total governmental assets decreased by \$901,292 from 2012 to 2013, while the City's total governmental liabilities decreased by \$13,049. The most significant changes in total assets were the decrease in net capital assets of \$1,119,671, the decrease in intergovernmental receivables of \$315,645, and a decrease in property taxes receivable in the amount of \$77,856. The intergovernmental receivable decreased due to less CDBG projects pending at year end thus causing less of a receivable on the books. Another item affecting the total assets was the accumulated depreciation on assets which reduced capital assets and in 2013 expenditures associated with newly bonded funds for capital projects did occur, adding to net capital assets in 2013.

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

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Most of the decrease in governmental net position is due to the decrease in capital assets and specifically annual depreciation expense. Also, due to the State of Ohio's budget problems, and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has eliminated the inheritance tax as of January 1, 2013. This change has had a negative effect on the revenue stream in the City. This change in taxation will lead to a total loss of inheritance tax revenue yearly starting with 2014. Inheritance tax collection for 2013 was \$278,169.

The State of Ohio has also adopted House Bill 66 that phased-out the personal property tax, with 2008 being the last year of collection. The State of Ohio passed a Commercial Activities Tax (CAT) to allow the State to reimburse the City for 4 years through 2010. Thereafter, the State budget eliminated the CAT tax revenues, and cost the City annually a total of \$462,672 in 2012 and thereafter. The State of Ohio reduced the local government funds to cities at 25 percent in 2011-2012 and 50 percent in 2012-2013 for an additional loss of \$203,506 in 2012 and \$189,583 in 2013. This loss will remain per year thereafter unless more funds are collected or the State of Ohio changes the funding amounts. The State of Ohio used these revenue reductions to help them make up their budget deficits.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2013 and 2012.

**(Table 2)**  
*Changes in Net Position*

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$3,319,711	\$3,359,768	\$7,267,226	\$6,918,950	\$10,586,937	\$10,278,718
Operating Grants and Contributions	2,245,711	2,306,058	0	0	2,245,711	2,306,058
Capital Grants and Contributions	0	5,000	0	0	0	5,000
<b>Total Program Revenues</b>	<b>5,565,422</b>	<b>5,670,826</b>	<b>7,267,226</b>	<b>6,918,950</b>	<b>12,832,648</b>	<b>12,589,776</b>
<b>General Revenues</b>						
Property Taxes	4,690,391	4,903,333	0	0	4,690,391	4,903,333
Municipal Income Taxes	10,379,299	9,624,987	304,759	309,255	10,684,058	9,934,242
Grants and Entitlements not Restricted to Specific Programs	675,467	632,800	0	0	675,467	632,800
Investment Income	26,397	20,824	49,334	67,547	75,731	88,371
Gain on Sale of Capital Assets	5,645	32,484	1,074	0	6,719	32,484
Miscellaneous	271,230	166,941	16,118	33,029	287,348	199,970
<b>Total General Revenues</b>	<b>16,048,429</b>	<b>15,381,369</b>	<b>371,285</b>	<b>409,831</b>	<b>16,419,714</b>	<b>15,791,200</b>
<b>Total Revenues</b>	<b>\$21,613,851</b>	<b>\$21,052,195</b>	<b>\$7,638,511</b>	<b>\$7,328,781</b>	<b>\$29,252,362</b>	<b>\$28,380,976</b>

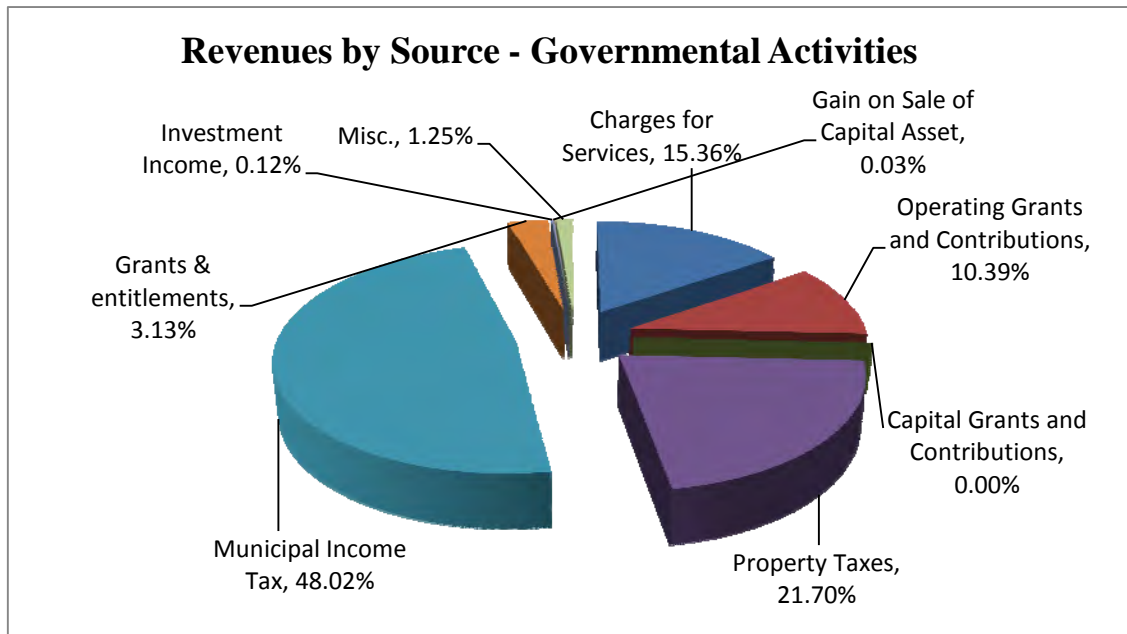
**City of Bedford, Ohio**  
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**(Table 2)**  
*Changes in Net Position (continued)*

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Program Expenses</b>						
General Government	\$4,922,271	\$5,451,587	\$0	\$0	\$4,922,271	\$5,451,587
Security of Persons and Property						
Police	5,560,147	5,660,332	0	0	5,560,147	5,660,332
Fire	3,976,171	4,106,403	0	0	3,976,171	4,106,403
Public Health and Welfare	176,774	180,994	0	0	176,774	180,994
Leisure Time Activities	1,316,269	1,343,654	0	0	1,316,269	1,343,654
Community Development	753,096	746,201	0	0	753,096	746,201
Basic Utility Services	1,036,719	1,015,825	0	0	1,036,719	1,015,825
Transportation	4,343,828	4,363,978	0	0	4,343,828	4,363,978
Interest and Fiscal Charges	379,698	735,190	0	0	379,698	735,190
Water	0	0	3,853,350	3,234,955	3,853,350	3,234,955
Wastewater	0	0	2,175,580	2,040,179	2,175,580	2,040,179
<i>Total Program Expenses</i>	<u>22,464,973</u>	<u>23,604,164</u>	<u>6,028,930</u>	<u>5,275,134</u>	<u>28,493,903</u>	<u>28,879,298</u>
Change in Net Position	(851,122)	(2,551,969)	1,609,581	2,053,647	758,459	(498,322)
Net Position Beginning of Year	35,378,988	37,930,957	13,947,673	11,894,026	49,326,661	49,824,983
Net Position End of Year	<u>\$34,527,866</u>	<u>\$35,378,988</u>	<u>\$15,557,254</u>	<u>\$13,947,673</u>	<u>\$50,085,120</u>	<u>\$49,326,661</u>

**Governmental Activities**

Governmental activities decreased the City's net position from \$35,378,988 to \$34,527,866 or by the amount of \$851,122. The primary reason for the decrease in net position relates to the decrease in revenues from the property tax collections and fewer operating grants and contributions especially from State funds and the Ohio Public Works Commission. Decreased spending on safety forces payrolls accounted for smaller expenses.



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The income tax rate was 2.25 percent for 2013, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if Bedford residents work in another locality that has a municipal income tax, the City provides up to 100 percent credit to a limit of 1.50 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to reduce that income tax credit and create additional revenues for the City.

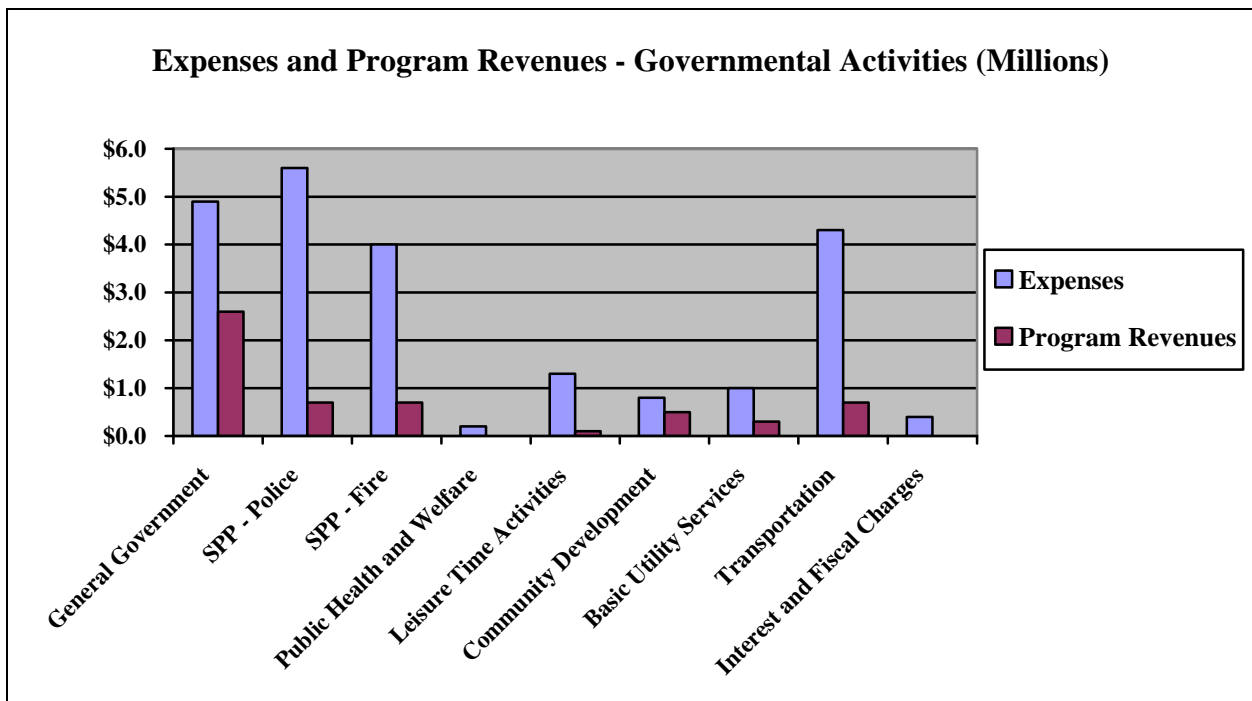
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations.

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

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2013, \$9,536,318 was spent or 42.45 percent of program expenses related to security of persons and property compared to 2012, when \$9,766,735 was spent or 41.38 percent. The cost decrease was due to reduced payables at year-end. The pension payments went from a quarterly reporting to monthly reporting.

The next largest expenses were from General Government expenses. The City spent less on salt purchases, reduced spending in all departments, however, the City was able to give a 1 percent increase to employees.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winter was good in 2013-2013; the slight change was due to wage increases of 1 percent. The City maintains salt funding for two years of winter storms at all times.



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**Business-Type Activities**

The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net position by \$1,609,581. Program revenues were more than program expenses in the amount of \$946,847 for the water operations in 2013. This increase in net position is due to repairing major waterline breaks in 2013. This decreased the amount paid for water consumption to the City of Cleveland and allowed the City of Bedford to bill a larger percentage of water to consumers versus what was paid for in 2013. There were more delinquencies due to foreclosures in water billings in 2013. This revenue is classified as charges for services. The water rate increases of 3.00 percent annually went into effect in 2011, 2012, and 2013 respectively. The City of Cleveland will increase water rates the City pays and rebills to our residents at the rate of 3.1389 percent in 2014 and the City of Bedford increased our rates at 3 percent in 2014.

Program revenues were more than program expenses in the amount of \$291,449 for the wastewater operations for 2013. An increase in wastewater rates was placed into effect in 2011, 2012, 2013 and 2014 at 4 percent each year and created this increase in revenue. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels of non-payment. Total program revenues for wastewater operations recorded in 2013 were \$2,467,029 versus \$2,386,595 in 2012.

**EXPENSES AND PROGRAM REVENUES**  
**(in millions)**



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

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

**Governmental Funds**

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

All governmental funds had total revenues of \$21,398,956 in 2013 and \$21,709,436 in 2012, and total expenditures of \$22,236,129 in 2013 and \$21,995,737 in 2012 leaving a difference of revenues over (under) expenditures of (\$837,173) and (\$286,301) respectively. The most significant change in our funds from 2012 to 2013 was the decrease in property taxes of \$355,695, as the City lost 10 percent of its value from the six year reappraisal of the County Fiscal Officer. Also there was a decrease in intergovernmental revenue of \$44,190 which was the direct result of the previously mentioned State revenue cuts and elimination of revenue to municipalities. Charges for services also increased by \$148,716, this was due to an increase in services utilized by the citizens. The main increase in expenses was capital outlay as there were more projects constructed in 2013 with Community Development Block Grant funds and Street Improvements.

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The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$10,919,271 compared to \$10,472,285 in 2012 of which \$10,194,477 in 2013 was unassigned at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balances to total fund expenditures including transfers out. The 2013 unassigned fund balance represents 67.98 percent of total general fund expenditures and transfers out, while total fund balances represents 72.82 percent. The unassigned fund balance will cover 248 days of City general fund expenditures. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund increased by \$446,986. The increase in the general fund balance is due to decreased spending in: general government departments, police and fire spending, and a decrease in leisure time activities. The income tax revenue in the general fund for 2013 was \$9,194,643 and was \$9,207,903 in 2012. The transfers out of \$3,977,525 in 2013 were more than the \$3,538,865 in 2012 due to the public safety and street maintenance and repair special revenue funds needing additional transfers in. These transfers are identified in Note 11 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2013 was \$182,717 and \$39,977 in 2012. This fund accounts for the City's police and fire departments.

Other governmental funds had a decrease in fund balance due to increased transfers out from the municipal court improvements capital projects fund for bond principal retirement. More expenditure occurred within the Security of Persons and Property areas associated with raises in payroll and employment. The City continues to maximize income tax and grant money to provide the citizens with a dynamic place to call home.

### **General Fund Budgeting Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2013, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the whole Council for Ordinance enactment on the changes. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our service department, and the municipal court activities, as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

The general fund's, original budgeted revenues were \$14,932,137. The final budgeted revenue amount was \$15,054,268. The general fund's actual revenues were \$15,019,755. The general fund's original appropriations were budgeted at \$10,267,158. The final budgeted appropriations were \$10,748,064. The general fund's actual expenditures were \$9,832,879. The City of Bedford's ending unencumbered cash balance in the general fund was increased by \$959,626 above the final budgeted amount.

The differences between the general fund's original and final amended revenue budget were minor, the largest variance (negative) was with the State of Ohio funding of intergovernmental revenues of \$89,018; however, expenditure budget amounts did have major changes as follows:

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- The most significant budget (appropriation) change was the increase in transfers out from the general fund to the police and fire pension funds. The amounts of the transfers were \$150,000 and \$130,000 respectively. These amounts were needed to pay the extra employer pension costs to the Ohio Police and Fire Pension systems as they changed employer contributions from quarterly submission of the payments to monthly payments.
- The transfers out to other funds had unspent \$245,360 (4.44 percent) of expenditures versus final budgeted amounts due to less money being needed to support street maintenance programs, recreation programs and the police & fire pension funds.
- The general government expenditures left unspent \$477,199 consisting of the following major unspent levels:
  - The Municipal Court left \$144,729 unspent (6.40 percent) of anticipated expenditures in 2013.
  - The police (non-officer) department left unspent \$126,248 (6.25 percent) of anticipated expenditures in 2013.
  - The community development fund left unspent \$169,653 (45.53 percent) of anticipated expenditures in 2013. This was from advances out not yet sent back to the General Fund.
- The service department in transportation had unspent \$112,918 (6.40 percent) of expenditures versus final budgeted amounts.

Actual expenditures were \$915,185 less than appropriations due mainly to the diligence of management to keep costs low.

**Capital Assets and Debt Administration**

*Capital Assets*

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$2,908,079	\$2,908,079	\$28,620	\$28,620	\$2,936,699	\$2,936,699
Construction in Progress	12,463	140,087	2,292,863	657,906	2,305,326	797,993
Buildings and Improvements	13,182,119	13,560,799	6,621,679	6,830,073	19,803,798	20,390,872
Machinery and Equipment	927,464	1,096,416	213,432	195,026	1,140,896	1,291,442
Furniture and Fixtures	95,092	113,026	0	0	95,092	113,026
Vehicles	833,523	1,047,966	213,467	259,484	1,046,990	1,307,450
Infrastructure	12,206,158	12,418,196	7,493,406	7,634,080	19,699,564	20,052,276
<b>Total</b>	<b>\$30,164,898</b>	<b>\$31,284,569</b>	<b>\$16,863,467</b>	<b>\$15,605,189</b>	<b>\$47,028,365</b>	<b>\$46,889,758</b>

Total governmental capital assets decreased by \$1,119,671 in 2013. Decreases in many capital asset categories occurred in 2013 mostly due to depreciation expense and the disposal of \$7,378 in net governmental capital assets. The depreciation expense of governmental activity assets for the year 2013 was \$2,467,452. The City had \$1,355,159 of additions to governmental capital assets in 2013.

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The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding facilities to complement our current structures. Additional information concerning the City's capital assets can be found in Note 12 to the basic financial statements.

**Debt**

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$11,330,105	\$10,984,030	\$8,916,167	\$4,095,413	\$20,246,272	\$15,079,443
Special Assessment Bonds	115,000	170,000	0	0	115,000	170,000
OPWC Loans	659,147	733,253	1,362,192	1,460,186	2,021,339	2,193,439
OWDA Loans	0	0	1,444,998	2,393,182	1,444,998	2,393,182
Police Pension	171,961	176,794	0	0	171,961	176,794
Capital Leases	31,164	44,475	0	0	31,164	44,475
Compensated Absences	1,432,034	1,370,272	119,249	129,620	1,551,283	1,499,892
<b>Total</b>	<b>\$13,739,411</b>	<b>\$13,478,824</b>	<b>\$11,842,606</b>	<b>\$8,078,401</b>	<b>\$25,582,017</b>	<b>\$21,557,225</b>

The debt consisted of general obligation bonds, composed of the 2013 Various Purpose General Obligation bond issue in the amount of \$7,640,000. This bond issued purpose was stated earlier in the Letter of Transmittal. The 2010 Various Purpose G.O. bonds, Series A (Tax-Exempt) and Various Purpose Bonds, Series B (Federally Taxable-Build America Bonds-Direct Payment) were issued in the amount of \$5,090,000. This bond issue's purpose was also stated earlier in this report in the Letter of Transmittal. Prior to this 2010 issue, The City's last bond issue was the 2006 advanced refunding issue for the following purposes: (1) a Municipal Complex Court bond issued in 2002 and repaid from court fees and the one-fourth of a percent increase in municipal income tax rate voted in by the public in 1999; (2) the 2002 Municipal Complex Improvement – this issue is also repaid from the one-fourth of a percent income tax increase; and (3) the 1999 Municipal Complex Improvement - this issue is also repaid from the one fourth of a percent income tax increase.

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

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

The police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2013 the balance was \$171,958.

The Business-type debt consisted of general obligation bonds are composed of the 2013 water and wastewater improvements. The bond issues purpose was stated earlier in the Letter of Transmittal. This new issue as with the others, is to be repaid from the water rates and water bill collections; also included are the 2010 water and wastewater improvements, the 2006 advance refunding issue of the (1) a sewer improvement bond issued in



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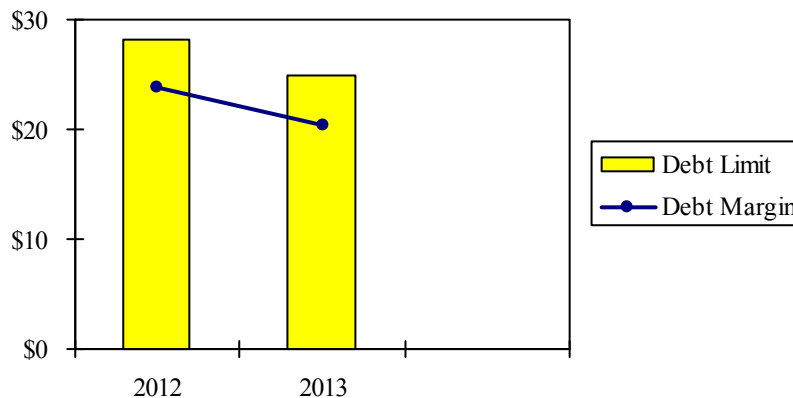
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2002; (2) the refunding bonds issued in 2002 to pay off the water system mortgage revenue bonds outstanding from the 1991 issue; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. The Grand, Magnolia, and Franklin water line OPWC project (\$454,000) will be repaid from the water rates, and the funds to match this grant came from the bond proceeds issued in 2010. This 2010 issue is to be repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington Street, Tinkers Creek Commerce Park and Forbes Road water line. The amount of \$646,000 out of the \$1,900,000, 2006 new money was issued to pay for these water lines.

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

Most of the City's wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has one of these loans outstanding for the following purposes: the 2003 Rapid Sandfilter Improvement (\$1,444,998 outstanding). This loan is for 20 years at 3.90 percent respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin decreased from \$28.2 to \$25 million from 2012 to 2013. This is the amount of debt the City could issue. The legal debt margin decreased \$23.8 to \$20.9 or \$2.9 million from 2012 to 2013 due to the increase in current year debt vs. the pay down of debt in one year.



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

**Current Financial Related Activities**

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

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The City of Bedford is financially strong as evidenced by Moody's Investors Service's April 23, 2013, assigned Aa2 rating to the City of Bedford's General Obligation Long Term Various Purpose Improvement and Refunding Bonds series 2013. Moody's Investors Service is quoted as stating "The Aa2 rating is based upon the City's very healthy financial position, strong fiscal management, modest and concentrated tax base with a below average socioeconomic profile and manageable debt burden".

**Strengths were quoted as follows:**

- Strong fiscal management that has resulted in a recent trend of positive operations
- Solid general fund balance and cash reserves

**Challenges were quoted as follows:**

- Multi-year trend of tax base depreciation,
- Considerable concentration within the City's income tax base as the top taxpayer Ben Venue Labs, accounts for approximately 22 percent of revenues,
- Modest socioeconomic profile relative to similarly rated entities.

On April 25, 2013, Standard and Poor's assigned its AA long-term rating to the City of Bedford, Ohio series 2013 limited-tax general obligation (GO) various purpose improvements and refunding bonds. At the same time they affirmed their AA long-term underlying rating (SPUR) rating on the City of Bedford's other GO debt. Standard & Poor's Ratings Services quoted the following: The Outlook is stable.

"The rating reflects our view of the City's:

- Status as a mature community with access to employment throughout the Cleveland Region,
- Very strong general fund reserves supported by a strong Financial Management Assessment (FMA) and,
- Moderate overall net debt burden".

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

**Contacting the City's Finance Department**

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

**City of Bedford, Ohio**  
*Statement of Net Position*  
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$13,667,127	\$9,465,080	\$23,132,207
Cash and Cash Equivalents with Fiscal Agents	48,229	113,471	161,700
Accounts Receivable	125,283	1,312,423	1,437,706
Accrued Interest Receivable	2,654	7,100	9,754
Intergovernmental Receivable	894,362	0	894,362
Internal Balances	24,457	(24,457)	0
Income Taxes Receivable	3,089,187	0	3,089,187
Materials and Supplies Inventory	143,184	223,867	367,051
Prepaid Items	39,528	0	39,528
Property Taxes Receivable	4,982,657	0	4,982,657
Special Assessments Receivable	686,788	0	686,788
Assets Held for Resale	1,099,122	0	1,099,122
Nondepreciable Capital Assets	2,920,542	2,321,483	5,242,025
Depreciable Capital Assets, Net	27,244,356	14,541,984	41,786,340
<i>Total Assets</i>	<u>54,967,476</u>	<u>27,960,951</u>	<u>82,928,427</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	307,783	24,622	332,405
<b>Liabilities</b>			
Accounts Payable	262,041	245,062	507,103
Accrued Wages	473,239	54,948	528,187
Intergovernmental Payable	382,526	33,479	416,005
Vacation Benefits Payable	705,494	86,564	792,058
Claims Payable	184,702	0	184,702
Unearned Revenue	252,000	0	252,000
Retainage Payable	48,229	113,471	161,700
Accrued Interest Payable	33,571	52,189	85,760
Long-Term Liabilities:			
Due Within One Year	1,446,477	685,567	2,132,044
Due In More Than One Year	12,292,934	11,157,039	23,449,973
<i>Total Liabilities</i>	<u>16,081,213</u>	<u>12,428,319</u>	<u>28,509,532</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	4,666,180	0	4,666,180
<b>Net Position</b>			
Net Investment in Capital Assets	18,337,265	5,177,762	23,515,027
Restricted for:			
Capital Projects	119,889	0	119,889
Debt Service	449,033	0	449,033
Municipal Courts	254,776	0	254,776
Streets	1,215,660	0	1,215,660
Community Development	715,120	0	715,120
Street Lighting	504,173	0	504,173
Drug Force Violations	162,132	0	162,132
Other Purposes	512,440	0	512,440
Unrestricted	12,257,378	10,379,492	22,636,870
<i>Total Net Position</i>	<u>\$34,527,866</u>	<u>\$15,557,254</u>	<u>\$50,085,120</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2013

	Program Revenues		
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions
<b>Governmental Activities</b>			
General Government	\$4,922,271	\$2,022,787	\$567,338
Security of Persons and Property			
Police	5,560,147	80,900	611,749
Fire	3,976,171	442,342	258,393
Public Health and Welfare	176,774	16,179	19,968
Leisure Time Activities	1,316,269	128,060	19,950
Community Development	753,096	342,753	109,365
Basic Utility Services	1,036,719	286,690	0
Transportation	4,343,828	0	658,948
Interest and Fiscal Charges	379,698	0	0
<i>Total Governmental Activities</i>	<u>22,464,973</u>	<u>3,319,711</u>	<u>2,245,711</u>
<b>Business-Type Activities</b>			
Water	3,853,350	4,800,197	0
Wastewater	2,175,580	2,467,029	0
<i>Total Business-Type Activities</i>	<u>6,028,930</u>	<u>7,267,226</u>	<u>0</u>
<i>Total</i>	<u>\$28,493,903</u>	<u>\$10,586,937</u>	<u>\$2,245,711</u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Debt Service

    Public Safety

Municipal Income Taxes Levied for:

    General Purposes

    Debt Service

    Wastewater

Grants and Entitlements not Restricted  
to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Change in Net Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$2,332,146)	\$0	(\$2,332,146)
(4,867,498)	0	(4,867,498)
(3,275,436)	0	(3,275,436)
(140,627)	0	(140,627)
(1,168,259)	0	(1,168,259)
(300,978)	0	(300,978)
(750,029)	0	(750,029)
(3,684,880)	0	(3,684,880)
(379,698)	0	(379,698)
<u>(16,899,551)</u>	<u>0</u>	<u>(16,899,551)</u>
0	946,847	946,847
<u>0</u>	<u>291,449</u>	<u>291,449</u>
<u>0</u>	<u>1,238,296</u>	<u>1,238,296</u>
<u>(16,899,551)</u>	<u>1,238,296</u>	<u>(15,661,255)</u>
1,831,056	0	1,831,056
201,493	0	201,493
2,657,842	0	2,657,842
9,668,374	0	9,668,374
710,925	0	710,925
0	304,759	304,759
675,467	0	675,467
26,397	49,334	75,731
5,645	1,074	6,719
<u>271,230</u>	<u>16,118</u>	<u>287,348</u>
<u>16,048,429</u>	<u>371,285</u>	<u>16,419,714</u>
(851,122)	1,609,581	758,459
<u>35,378,988</u>	<u>13,947,673</u>	<u>49,326,661</u>
<u>\$34,527,866</u>	<u>\$15,557,254</u>	<u>\$50,085,120</u>

**City of Bedford, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2013*

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,462,975	\$551,723	\$3,359,452	\$13,374,150
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	0	48,229	48,229
Property Taxes Receivable	2,158,407	2,824,250	0	4,982,657
Income Taxes Receivable	3,089,187	0	0	3,089,187
Accounts Receivable	95,905	0	29,378	125,283
Intergovernmental Receivable	356,180	182,751	355,431	894,362
Interfund Receivable	575,482	0	0	575,482
Accrued Interest Receivable	2,654	0	0	2,654
Materials and Supplies Inventory	135,561	7,623	0	143,184
Prepaid Items	39,528	0	0	39,528
Special Assessments Receivable	160,060	0	526,728	686,788
Assets Held for Resale	44,554	0	1,054,568	1,099,122
<i>Total Assets</i>	<u>\$16,120,493</u>	<u>\$3,566,347</u>	<u>\$5,373,786</u>	<u>\$25,060,626</u>
<b>Liabilities</b>				
Accounts Payable	\$79,701	\$1,166	\$181,174	\$262,041
Accrued Wages	240,824	225,409	7,006	473,239
Intergovernmental Payable	187,398	190,600	4,528	382,526
Interfund Payable	0	0	575,482	575,482
Retainage Payable	0	0	48,229	48,229
Unearned Revenue	0	0	252,000	252,000
<i>Total Liabilities</i>	<u>507,923</u>	<u>417,175</u>	<u>1,068,419</u>	<u>1,993,517</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	2,021,296	2,644,884	0	4,666,180
Unavailable Revenue	2,672,003	321,571	738,925	3,732,499
<i>Total Deferred Inflows of Resources</i>	<u>4,693,299</u>	<u>2,966,455</u>	<u>738,925</u>	<u>8,398,679</u>
<b>Fund Balances</b>				
Nonspendable	219,643	7,623	0	227,266
Restricted	0	175,094	3,214,922	3,390,016
Committed	198,997	0	15,091	214,088
Assigned	306,154	0	411,139	717,293
Unassigned (Deficit)	10,194,477	0	(74,710)	10,119,767
<i>Total Fund Balances</i>	<u>10,919,271</u>	<u>182,717</u>	<u>3,566,442</u>	<u>14,668,430</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$16,120,493</u>	<u>\$3,566,347</u>	<u>\$5,373,786</u>	<u>\$25,060,626</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2013*

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**Total Governmental Fund Balances** \$14,668,430

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

Capital assets used in governmental activities are not financial resources and  
 therefore are not reported in the funds. 30,164,898

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

Delinquent Property Taxes	316,477
Income Taxes	2,144,536
Special Assessments	686,788
Intergovernmental	584,698

Total 3,732,499

An internal service fund is used by management to charge the costs of insurance to  
 individual funds. The assets and liabilities of the internal service fund are  
 included in governmental activities in the statement of net position.

Net Position	108,275
Internal Balances	24,457

Total 132,732

In the statement of activities, interest is accrued on outstanding bonds, whereas  
 in governmental funds, an interest expenditure is reported when due. (33,571)

Vacation benefits payable is not expected to be paid with expendable available  
 financial resources and therefore not reported in the funds. (705,494)

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

General Obligation Bonds	(11,330,105)
Special Assessment Bonds	(115,000)
OPWC Loans	(659,147)
Police Pension	(171,961)
Capital Leases	(31,164)
Compensated Absences	(1,432,034)
Deferred Charge on Refunding	307,783

Total (13,431,628)

*Net Position of Governmental Activities* \$34,527,866

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, 2013*

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,829,321	\$2,676,661	\$217,615	\$4,723,597
Municipal Income Taxes	9,194,643	0	710,925	9,905,568
Charges for Services	792,476	0	2,750	795,226
Fees, Licenses and Permits	243,780	78	0	243,858
Fines and Forfeitures	1,644,499	0	264,611	1,909,110
Intergovernmental	1,400,254	411,872	1,195,541	3,007,667
Special Assessments	32,286	0	360,100	392,386
Contributions and Donations	0	0	60,297	60,297
Interest	16,077	1,300	8,635	26,012
Rentals	98,701	0	0	98,701
Other	42,690	0	193,844	236,534
<i>Total Revenues</i>	<u>15,294,727</u>	<u>3,089,911</u>	<u>3,014,318</u>	<u>21,398,956</u>
<b>Expenditures</b>				
Current:				
General Government	4,612,774	0	38,832	4,651,606
Security of Persons and Property:				
Police	1,828,629	2,958,248	665,387	5,452,264
Fire	146,258	3,633,683	27,874	3,807,815
Public Health and Welfare	168,961	0	8,423	177,384
Leisure Time Activities	1,192,561	0	13,797	1,206,358
Community Development	698,384	0	182,411	880,795
Basic Utility Services	703,464	0	333,255	1,036,719
Transportation	1,641,194	0	684,574	2,325,768
Capital Outlay	0	0	1,401,483	1,401,483
Debt Service:				
Principal Retirement	18,144	0	827,006	845,150
Interest and Fiscal Charges	7,463	0	376,054	383,517
Bond Issuance Costs	0	0	67,270	67,270
<i>Total Expenditures</i>	<u>11,017,832</u>	<u>6,591,931</u>	<u>4,626,366</u>	<u>22,236,129</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,276,895</u>	<u>(3,502,020)</u>	<u>(1,612,048)</u>	<u>(837,173)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	4,423	0	1,222	5,645
General Obligation Bonds Issued	0	0	2,314,300	2,314,300
Premium on Bonds	0	0	66,577	66,577
Payment to Refunded Bond Escrow Agent	0	0	(1,346,967)	(1,346,967)
Transfers In	143,193	3,644,760	889,360	4,677,313
Transfers Out	(3,977,525)	0	(699,788)	(4,677,313)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,829,909)</u>	<u>3,644,760</u>	<u>1,224,704</u>	<u>1,039,555</u>
<i>Net Change in Fund Balances</i>	446,986	142,740	(387,344)	202,382
<i>Fund Balances Beginning of Year</i>	<u>10,472,285</u>	<u>39,977</u>	<u>3,953,786</u>	<u>14,466,048</u>
<i>Fund Balances End of Year</i>	<u>\$10,919,271</u>	<u>\$182,717</u>	<u>\$3,566,442</u>	<u>\$14,668,430</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, 2013*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$202,382</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	1,355,159
Current Year Depreciation	<u>(2,467,452)</u>
Total	(1,112,293)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(7,378)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	
Delinquent Property Taxes	(33,206)
Income Taxes	473,731
Special Assessments	(119,570)
Intergovernmental	<u>(146,786)</u>
Total	174,169
Other financing sources in the governmental funds increase long-term liabilities in the statement of net position.	
Proceeds of General Obligation Bonds	(2,314,300)
Premium on Bonds Issued	<u>(66,577)</u>
Total	(2,380,877)
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal Retirement	845,150
Payment to Refunded Bond Escrow Agent	<u>1,346,967</u>
Total	2,192,117
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued Interest	21,413
Amortization of Premium	9,491
Amortization of Discount	(2,589)
Amortization of Deferred Charge on Refunding	<u>(24,496)</u>
Total	3,819
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences	(61,762)
Vacation Benefits Payable	<u>2,169</u>
Total	(59,593)
The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.	
Change in Net Position	147,358
Change in Internal Balance	<u>(10,826)</u>
Total	<u>136,532</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$851,122)</u></u>

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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,795,215	\$1,795,215	\$1,829,321	\$34,106
Municipal Income Taxes	9,136,220	9,136,220	9,141,164	4,944
Charges for Services	614,625	614,625	620,471	5,846
Fees, Licenses and Permits	223,050	223,050	228,486	5,436
Fines and Forfeitures	1,619,800	1,619,800	1,622,217	2,417
Intergovernmental	1,364,527	1,483,158	1,394,140	(89,018)
Special Assessments	20,000	20,000	32,286	12,286
Interest	29,000	29,000	19,328	(9,672)
Rentals	92,700	92,700	98,701	6,001
Other	37,000	40,500	33,641	(6,859)
<i>Total Revenues</i>	14,932,137	15,054,268	15,019,755	(34,513)
<b>Expenditures</b>				
Current:				
General Government	4,950,899	5,191,094	4,713,895	477,199
Security of Persons and Property:				
Police	1,857,695	2,012,699	1,886,451	126,248
Fire	346,571	351,570	306,449	45,121
Public Health and Welfare	50,204	50,204	50,204	0
Leisure Time Activities	172,806	172,806	116,660	56,146
Community Development	474,795	490,355	407,404	82,951
Basic Utility Services	709,000	716,920	702,318	14,602
Transportation	1,705,188	1,762,416	1,649,498	112,918
<i>Total Expenditures</i>	10,267,158	10,748,064	9,832,879	915,185
<i>Excess of Revenues Over Expenditures</i>	4,664,979	4,306,204	5,186,876	880,672
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	10,000	10,000	4,423	(5,577)
Advances In	22,500	217,756	56,927	(160,829)
Transfers In	0	143,193	143,193	0
Transfers Out	(5,247,385)	(5,527,385)	(5,282,025)	245,360
<i>Total Other Financing Sources (Uses)</i>	(5,214,885)	(5,156,436)	(5,077,482)	78,954
<i>Net Change in Fund Balance</i>	(549,906)	(850,232)	109,394	959,626
<i>Fund Balance Beginning of Year</i>	8,586,427	8,586,427	8,586,427	0
Prior Year Encumbrances Appropriated	98,681	98,681	98,681	0
<i>Fund Balance End of Year</i>	\$8,135,202	\$7,834,876	\$8,794,502	\$959,626

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Safety Fund*  
*For the Year Ended December 31, 2013*

	<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 Taxes	\$2,626,880	\$2,626,880	\$2,676,661	\$49,781
Fees, Licenses and Permits	85	85	78	(7)
Intergovernmental	661,824	661,824	371,326	(290,498)
Interest	5,000	5,000	1,300	(3,700)
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>3,294,289</u>	<u>3,294,289</u>	<u>3,049,365</u>	<u>(244,924)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police	3,072,195	3,202,195	3,017,532	184,663
Fire	3,750,230	3,989,086	3,736,005	253,081
<i>Total Expenditures</i>	<u>6,822,425</u>	<u>7,191,281</u>	<u>6,753,537</u>	<u>437,744</u>
<i>Excess of Revenues Under Expenditures</i>	(3,528,136)	(3,896,992)	(3,704,172)	192,820
<b>Other Financing Sources</b>				
Transfers In	3,488,465	3,768,465	3,644,760	(123,705)
<i>Net Change in Fund Balance</i>	(39,671)	(128,527)	(59,412)	69,115
<i>Fund Balance Beginning of Year</i>	597,250	597,250	597,250	0
Prior Year Encumbrances Appropriated	13,218	13,218	13,218	0
<i>Fund Balance End of Year</i>	<u>\$570,797</u>	<u>\$481,941</u>	<u>\$551,056</u>	<u>\$69,115</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2013*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Assets</b>				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,004,036	\$4,461,044	\$9,465,080	\$292,977
Restricted Assets:				
Cash and Cash Equivalents				
with Fiscal Agents	60,408	53,063	113,471	0
Receivables:				
Accounts	849,437	462,986	1,312,423	0
Accrued Interest	3,754	3,346	7,100	0
Materials and Supplies Inventory	153,780	70,087	223,867	0
<i>Total Current Assets</i>	<u>6,071,415</u>	<u>5,050,526</u>	<u>11,121,941</u>	<u>292,977</u>
<i>Noncurrent Assets</i>				
Nondepreciable Capital Assets	1,395,923	925,560	2,321,483	0
Depreciable Capital Assets, Net	5,318,214	9,223,770	14,541,984	0
<i>Total Noncurrent Assets</i>	<u>6,714,137</u>	<u>10,149,330</u>	<u>16,863,467</u>	<u>0</u>
<i>Total Assets</i>	<u>12,785,552</u>	<u>15,199,856</u>	<u>27,985,408</u>	<u>292,977</u>
<b>Deferred Outflows of Resources</b>				
Deferred Charge on Refunding	10,019	14,603	24,622	0
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Accounts Payable	197,857	47,205	245,062	0
Accrued Wages	21,499	33,449	54,948	0
Intergovernmental Payable	13,022	20,457	33,479	0
Retainage Payable	60,408	53,063	113,471	0
Vacation Benefits Payable	32,097	54,467	86,564	0
Compensated Absences Payable	31,713	39,655	71,368	0
Accrued Interest Payable	11,129	41,060	52,189	0
General Obligation Bonds Payable	178,900	216,600	395,500	0
OPWC Loans Payable	42,700	55,297	97,997	0
OWDA Loans Payable	0	120,702	120,702	0
Claims Payable	0	0	0	184,702
<i>Total Current Liabilities</i>	<u>589,325</u>	<u>681,955</u>	<u>1,271,280</u>	<u>184,702</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	17,410	30,471	47,881	0
General Obligation Bonds Payable	3,581,780	4,938,887	8,520,667	0
OPWC Loans Payable	687,250	576,945	1,264,195	0
OWDA Loans Payable	0	1,324,296	1,324,296	0
<i>Total Long-Term Liabilities</i>	<u>4,286,440</u>	<u>6,870,599</u>	<u>11,157,039</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,875,765</u>	<u>7,552,554</u>	<u>12,428,319</u>	<u>184,702</u>
<b>Net Position</b>				
Net Investment in Capital Assets	2,241,964	2,935,798	5,177,762	0
Unrestricted	5,677,842	4,726,107	10,403,949	108,275
<i>Total Net Position</i>	<u>\$7,919,806</u>	<u>\$7,661,905</u>	<u>15,581,711</u>	<u>\$108,275</u>

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

(24,457)

Net position of business-type activities

\$15,557,254

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2013*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Operating Revenues</b>				
Charges for Services	\$4,800,197	\$2,467,029	\$7,267,226	\$2,971,513
Other	16,118	0	16,118	34,696
<i>Total Operating Revenues</i>	<u>4,816,315</u>	<u>2,467,029</u>	<u>7,283,344</u>	<u>3,006,209</u>
<b>Operating Expenses</b>				
Personal Services	764,847	1,139,195	1,904,042	0
Contractual Services	2,647,125	101,469	2,748,594	346,968
Materials and Supplies	165,801	329,113	494,914	0
Depreciation	129,932	317,484	447,416	0
Claims	0	0	0	2,512,268
Other	2,949	1,809	4,758	0
<i>Total Operating Expenses</i>	<u>3,710,654</u>	<u>1,889,070</u>	<u>5,599,724</u>	<u>2,859,236</u>
<i>Operating Income</i>	<u>1,105,661</u>	<u>577,959</u>	<u>1,683,620</u>	<u>146,973</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	26,882	22,452	49,334	385
Municipal Income Taxes	0	304,759	304,759	0
Interest and Fiscal Charges	(125,547)	(228,879)	(354,426)	0
Gain on Sale of Capital Assets	0	1,074	1,074	0
Bond Issuance Costs	(21,086)	(64,520)	(85,606)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(119,751)</u>	<u>34,886</u>	<u>(84,865)</u>	<u>385</u>
<i>Change in Net Position</i>	985,910	612,845	1,598,755	147,358
<i>Net Position (Deficit) Beginning of Year</i>	<u>6,933,896</u>	<u>7,049,060</u>		<u>(39,083)</u>
<i>Net Position End of Year</i>	<u>\$7,919,806</u>	<u>\$7,661,905</u>		<u>\$108,275</u>

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

10,826

Change in net position of business-type activities

\$1,609,581

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2013

	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	\$4,844,235	\$2,491,674	\$7,335,909	\$0
Cash Received from Interfund Services Provided	0	0	0	2,973,206
Other Cash Receipts	16,118	0	16,118	34,696
Cash Payments to Employees for Services	(778,747)	(1,136,885)	(1,915,632)	0
Cash Payments for Goods and Services	(2,879,520)	(391,258)	(3,270,778)	(348,801)
Cash Payments for Claims	0	0	0	(2,669,811)
Other Cash Payments	(2,949)	(1,809)	(4,758)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,199,137</u>	<u>961,722</u>	<u>2,160,859</u>	<u>(10,710)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from Municipal Income Taxes	<u>0</u>	<u>304,759</u>	<u>304,759</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Cash Received from Sale of Capital Assets	0	1,074	1,074	0
Cash Restricted for Retainage Contracts	60,408	53,063	113,471	0
Proceeds from General Obligation Bonds	1,770,000	3,555,700	5,325,700	0
Premium from General Obligation Bonds	36,986	103,799	140,785	0
Discount from General Obligation Bonds	(12,067)	(10,737)	(22,804)	0
Principal Paid on General Obligation Bonds	(122,200)	(74,900)	(197,100)	0
Interest Paid on General Obligation Bonds	(112,887)	(120,575)	(233,462)	0
Principal Paid on OWDA Loans	0	(948,184)	(948,184)	0
Interest Paid on OWDA Loans	0	(89,638)	(89,638)	0
Principal Paid on OPWC Loans	(42,700)	(55,294)	(97,994)	0
Bond Issuance Costs	(21,086)	(64,520)	(85,606)	0
Payment to Refunded Bond Escrow Agent	(281,875)	(152,840)	(434,715)	0
Payments for Capital Acquisitions	(1,233,767)	(471,927)	(1,705,694)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>40,812</u>	<u>1,725,021</u>	<u>1,765,833</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	<u>25,401</u>	<u>20,005</u>	<u>45,406</u>	<u>385</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,265,350	3,011,507	4,276,857	(10,325)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,799,094</u>	<u>1,502,600</u>	<u>5,301,694</u>	<u>303,302</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,064,444</u>	<u>\$4,514,107</u>	<u>\$9,578,551</u>	<u>\$292,977</u>

(continued)

**City of Bedford, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2013*

	Enterprise			Internal Service
	Water	Wastewater	Total	
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income	\$1,105,661	\$577,959	\$1,683,620	\$146,973
Adjustments:				
Depreciation	129,932	317,484	447,416	0
Decrease in Assets:				
Accounts Receivable	44,038	24,645	68,683	0
Intergovernmental Receivable	0	0	0	1,693
Materials and Supplies Inventory	929	5,178	6,107	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(67,523)	34,146	(33,377)	(1,833)
Accrued Wages	1,309	3,680	4,989	0
Intergovernmental Payable	(3,213)	(5,062)	(8,275)	0
Vacation Benefits Payable	(758)	2,825	2,067	0
Compensated Absences Payable	(11,238)	867	(10,371)	0
Claims Payable	0	0	0	(157,543)
<i>Total Adjustments</i>	<u>93,476</u>	<u>383,763</u>	<u>477,239</u>	<u>(157,683)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,199,137</u>	<u>\$961,722</u>	<u>\$2,160,859</u>	<u>(\$10,710)</u>

See accompanying notes to the basic financial statements

**City of Bedford, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2013*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$50
Cash and Cash Equivalents in Segregated Accounts	<u>202,360</u>
<i>Total Assets</i>	<u><u>\$202,410</u></u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$202,410</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, 2013*

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

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

***Reporting Entity***

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

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

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

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

The financial statements of the City of Bedford have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

***Basis of Presentation***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

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

**Fund Accounting**

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

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

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

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

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

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

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

**Measurement Focus**

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***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.

***Pooled Cash and Cash Equivalents***

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

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City Treasury.

During 2013, investments were limited to repurchase agreements, money market, municipal bonds, federal national mortgage association notes, federal mortgage association corporation notes, federal home loan bank bonds and STAR Ohio, the State Treasurer's Investment Pool.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2013 amounted to \$16,077, of which \$144 was assigned from other funds.

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

***Materials and Supplies Inventory***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***Assets Held for Resale***

Assets held for resale represents assets consisting of homes purchased and repaired which will be resold under the Community Development and Housing Rehabilitation in-fill housing project. These programs are reported in the community development block grant special revenue fund and in the general fund.

***Restricted Assets***

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

***Capital Assets***

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

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

***Interfund Balances***

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

***Compensated Absences***

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

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

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

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

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

***Net Position***

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Fund Balance***

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

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

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

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

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

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned:** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

***Operating Revenues and Expenses***

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

***Deferred Charge on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

***Bond Premiums and Discounts***

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

***Interfund Activity***

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

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

***Estimates***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

***Minimum fund balance policy***

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

***Budgetary Data***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level and personal services and other for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. Authority to further allocate Council appropriations within departments has been given to the Director of Finance.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**Note 3 – Fund Balances**

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

Fund Balances	General	Public Safety	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$39,528	\$0	\$0	\$39,528
Inventory	135,561	7,623	0	143,184
Assets Held for Resale	44,554	0	0	44,554
<i>Total Nonspendable</i>	<u>\$219,643</u>	<u>\$7,623</u>	<u>\$0</u>	<u>\$227,266</u>

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
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Fund Balances	General	Public Safety	Other Governmental Funds	Total
<u>Restricted for:</u>				
Public Safety	\$0	\$175,094	\$0	\$175,094
Community Development	0	0	715,120	715,120
State Highway	0	0	132,899	132,899
Indigent Drivers	0	0	214,278	214,278
Seale Narcotics	0	0	162,132	162,132
Enforcement and Education	0	0	3,122	3,122
Street Lighting	0	0	215,526	215,526
Street Construction, Maintenance and Repair	0	0	760,512	760,512
Cemetery Improvements	0	0	45,539	45,539
Municipal Court Special Programs	0	0	238,270	238,270
Indigent Interlock	0	0	66,992	66,992
Debt service payments	0	0	213,359	213,359
Capital Improvements	0	0	136,395	136,395
Other Purposes	0	0	310,778	310,778
<i>Total Restricted</i>	<u>0</u>	<u>175,094</u>	<u>3,214,922</u>	<u>3,390,016</u>
<u>Committed to:</u>				
Capital Improvements	0	0	15,091	15,091
Construction	9,572	0	0	9,572
Contractual Agreements	164,265	0	0	164,265
Purchases of Software	25,160	0	0	25,160
<i>Total Committed</i>	<u>198,997</u>	<u>0</u>	<u>15,091</u>	<u>214,088</u>
<u>Assigned to:</u>				
Capital Improvements	0	0	411,139	411,139
Recreation, Cemetery and Enterprise Zones	263,765	0	0	263,765
Purchases on Order	42,389	0	0	42,389
<i>Total Assigned</i>	<u>306,154</u>	<u>0</u>	<u>411,139</u>	<u>717,293</u>
Unassigned (Deficit)	<u>10,194,477</u>	<u>0</u>	<u>(74,710)</u>	<u>10,119,767</u>
<b>Total Fund Balances</b>	<u><u>\$10,919,271</u></u>	<u><u>\$182,717</u></u>	<u><u>\$3,566,442</u></u>	<u><u>\$14,668,430</u></u>

**Note 4- Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

Net Change in Fund Balances		
General and Public Safety Special Revenue Funds		
	General	Public Safety
GAAP Basis	\$446,986	\$142,740
Net Adjustment for Revenue Accruals	1,230,640	(40,546)
Beginning Fair Value of Adjustments for Investments	1,088	0
Ending Fair Value of Adjustments for Investments	3,718	0
Beginning Unrecorded Cash	100,039	0
Ending Unrecorded Cash	(123,806)	0
Net Adjustment for Expenditure Accruals	(1,391,509)	(160,939)
Advances In	56,927	0
Perspective Difference:		
Enterprise Zone	47,380	0
Cemetery	(7,888)	0
Recreation	(10,208)	0
Encumbrances	(243,973)	(667)
Budget Basis	\$109,394	(\$59,412)

**Note 5 - Deposits and Investments**

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

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

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

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

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

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

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*Notes to the Basic Financial Statements*  
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3. Obligations of the City.

**Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$2,445,126 of the City's bank balance of \$3,714,641 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

Investments are reported at fair value. As of December 31, 2013, the City had the following investments:

	Fair Value	Maturity	Moody Rating	Percent of Total Investments
Repurchase Agreements	\$11,243,970	Less than 30 days	AAAm	55.72%
Money Market Account	1,685,862	Less than one year	AAAm	8.35%
Municipal Bonds	1,247,828	Less than three years	N/A	6.18%
Federal National Mortgage Association Notes	3,546,513	Less than five years	AAA	17.57%
Federal Mortgage Association Corporation Notes	1,243,813	Less than five years	AAA	6.16%
Federal Home Loan Bank Bonds	900,000	Less than five years	AAA	4.46%
STAR Ohio	312,147	53.4 days	AAAm	N/A
Total Investments	<u>\$20,180,133</u>			

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

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has an investment policy

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

***Credit Risk*** All investments of the City carry a rating of AAA and AAAM by Moody's. The municipal bonds are unrated. The City has an investment policy that addresses credit risk.

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

## **Note 6 - Contingencies**

### ***Grants***

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2013.

### ***Litigation***

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

### ***Investigation***

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

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

## **Note 7 - Receivables**

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, accrued interest on investments, and accounts (billings for utility service).

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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Special assessments expected to be collected in more than one year amount to \$238,081 in the special assessment bond retirement fund. At December 31, 2013, the amount of delinquent special assessments was \$411,982.

The loans receivable at December 31, 2013, are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program. The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. The loans are expected to be collected in full during the next year.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013, was \$21.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$128,477,170
Commercial Industrial/Public Utility	101,592,750
Tangible Personal Property	
Public Utility	<u>8,103,300</u>
Total	<u><u>\$238,173,220</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Taxes***

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



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Intergovernmental Receivables***

A summary of the principal items of intergovernmental receivables follows:

<b>Governmental Activities</b>	<u>Amount</u>
Homestead and Rollback	\$249,210
Gasoline Tax	206,528
Local Government	179,298
Grants	87,858
Estate Tax	68,929
Motor Vehicle License Tax	58,023
Permissive Tax	43,568
Tangible Personal Property Loss Reimbursements	948
Total Governmental Activities	<u><u>\$894,362</u></u>

**Note 8 – Compensated Absences**

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

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

**Note 9 – Assets Held for Resale**

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During 2013, the City purchased and sold one home. As of December 31, 2013, the City has ten homes remaining which are being held for resale.

**Note 10 – Accountability**

At December 31, 2013, the HUD Rehabilitation Program special revenue fund had a deficit fund balance of \$74,710. The special revenue fund deficit is the result of the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

**City of Bedford, Ohio**  
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For the Year Ended December 31, 2013

**Note 11 - Interfund Transfers and Balances**

***Interfund Transfers***

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
<b>Major Funds:</b>			
General	\$0	\$143,193	\$143,193
Public Safety	3,644,760	0	3,644,760
<b>Total Major Funds</b>	<b>3,644,760</b>	<b>143,193</b>	<b>3,787,953</b>
<b>Other Governmental Funds:</b>			
Street Construction, Maintenance and Repair	137,500	0	137,500
Grants	13,750	0	13,750
General Obligation Bond Retirement	181,515	556,595	738,110
<b>Total Other Governmental Funds</b>	<b>332,765</b>	<b>556,595</b>	<b>889,360</b>
<b>Total</b>	<b>\$3,977,525</b>	<b>\$699,788</b>	<b>\$4,677,313</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 municipal court special programs special revenue fund to the general obligation bond retirement fund was to pay the court's portion of the principal and interest due on the bonds issued to build the Court. The transfer from the municipal court special programs special revenue fund to the general fund was from a court order granting the transfer.

***Interfund Balances***

The interfund balance at December 31, 2013, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$575,482. These loans were made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

**Note 12 – Capital Assets**

A summary of changes in capital assets during 2013 follows:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,908,079	\$0	\$0	\$2,908,079
Construction in Progress	140,087	0	(127,624)	12,463
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$3,048,166</b>	<b>\$0</b>	<b>(\$127,624)</b>	<b>\$2,920,542</b>

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2013

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
<b>Governmental Activities (continued)</b>				
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	\$17,622,088	\$5,003	\$0	\$17,627,091
Machinery and Equipment	4,319,461	61,675	(58,251)	4,322,885
Furniture and Fixtures	941,408	0	(20,598)	920,810
Vehicles	4,434,154	0	(33,211)	4,400,943
Infrastructure:				
Roads	40,365,089	1,157,645	0	41,522,734
Traffic Signals	1,588,375	0	0	1,588,375
Railroad Closures/Barriers	151,743	258,460	0	410,203
Storm Sewers	3,508,512	0	0	3,508,512
<i>Total Capital Assets Being Depreciated</i>	<u>72,930,830</u>	<u>1,482,783</u>	<u>(112,060)</u>	<u>74,301,553</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(4,061,289)	(383,683)	0	(4,444,972)
Machinery and Equipment	(3,223,045)	(223,249)	50,873	(3,395,421)
Furniture and Fixtures	(828,382)	(17,934)	20,598	(825,718)
Vehicles	(3,386,188)	(214,443)	33,211	(3,567,420)
Infrastructure:				
Roads	(31,551,031)	(1,485,498)	0	(33,036,529)
Traffic Signals	(655,312)	(63,535)	0	(718,847)
Railroad Closures/Barriers	(16,952)	(8,939)	0	(25,891)
Storm Sewers	(972,228)	(70,171)	0	(1,042,399)
<i>Total Accumulated Depreciation</i>	<u>(44,694,427)</u>	<u>(2,467,452) *</u>	<u>104,682</u>	<u>(47,057,197)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>28,236,403</u>	<u>(984,669)</u>	<u>(7,378)</u>	<u>27,244,356</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$31,284,569</u>	<u>(\$984,669)</u>	<u>(\$135,002)</u>	<u>\$30,164,898</u>
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	657,906	1,634,957	0	2,292,863
<i>Total Capital Assets Not Being Depreciated</i>	<u>686,526</u>	<u>1,634,957</u>	<u>0</u>	<u>2,321,483</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	10,603,360	14,582	0	10,617,942
Machinery and Equipment	6,446,533	56,155	(10,800)	6,491,888
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	578,992	0	(19,851)	559,141
Infrastructure:				
Water Lines	6,370,853	0	0	6,370,853
Sanitary Sewer Lines	3,184,837	0	0	3,184,837
<i>Total Capital Assets Being Depreciated</i>	<u>\$27,278,347</u>	<u>\$70,737</u>	<u>(\$30,651)</u>	<u>\$27,318,433</u>

**City of Bedford, Ohio**  
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	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
<b>Business-Type Activities (continued)</b>				
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(\$3,773,287)	(\$222,976)	\$0	(\$3,996,263)
Machinery and Equipment	(6,251,507)	(37,749)	10,800	(6,278,456)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(319,508)	(46,017)	19,851	(345,674)
Infrastructure:				
Water Lines	(1,058,838)	(100,904)	0	(1,159,742)
Sanitary Sewer Lines	(862,772)	(39,770)	0	(902,542)
<i>Total Accumulated Depreciation</i>	<u>(12,359,684)</u>	<u>(447,416)</u>	<u>30,651</u>	<u>(12,776,449)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>14,918,663</u>	<u>(376,679)</u>	<u>0</u>	<u>14,541,984</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$15,605,189</u>	<u>\$1,258,278</u>	<u>\$0</u>	<u>\$16,863,467</u>

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

General Government	\$259,468
Security of Persons and Property	
Police	139,678
Fire	202,966
Public Health and Welfare	945
Leisure Time Activities	106,808
Community Development	9,559
Transportation	<u>1,748,028</u>
Total	<u>\$2,467,452</u>

**Note 13 - Capital Leases**

The City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2013 follows:

	<u>Amounts</u>
Asset:	
Equipment	\$80,385
Less: Accumulated Depreciation	<u>(48,753)</u>
Current Book Value	<u>\$31,632</u>

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

**City of Bedford, Ohio**  
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Year Ending December 31,	
2014	\$8,376
2015	8,376
2016	8,376
2017	6,036
Present Value of Minimum Lease	<u>\$31,164</u>

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

**Note 14 - Long-term Obligations**

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

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
<i>General Obligation Bonds</i>				
Various Purpose Refunding	2006	2027	4.00-4.125 %	\$8,929,000
City Hall (Refunded \$3,035,000)	2002	2016	3.0-5.0	5,200,000
City Hall Court (Refunded \$905,000)	2002	2019	1.7-5.0	2,000,000
General Obligation Refunding Bonds	2013	2028	1.0-2.75	2,314,300
Capital Improvements	2010	2031	2.3-5.65	2,145,000
<i>Special Assessment Bonds</i>				
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<i>Ohio Public Works Commission Loans</i>				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
Broadway Culvert	2011	2031	0.00	492,432
<i>Police Pension</i>	1968	2035	4.25	245,922
<b>Business-Type Activities</b>				
<i>General Obligation Bonds</i>				
<i>Water</i>				
Water Refunding #1	2002	2017	1.45-4.65	690,000
Washington Street Water	2006	2026	4.00-4.125	646,000
Capital Improvements	2010	2036	2.3-5.65	1,625,000
General Obligation Refunding Bonds	2013	2038	1.0-3.5	1,770,000
<i>Wastewater</i>				
Sewer Improvement Refunding Bonds	2006	2022	4.00-4.125	315,000
Sewer Improvement (Refunded \$290,000)	2002	2016	3.00-5.00	725,000
Capital Improvements	2010	2036	2.3-5.65	1,320,000
General Obligation Refunding Bonds	2013	2038	1.0-3.5	3,555,700
<i>Ohio Water Development Loans</i>				
<i>Wastewater</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	2023	3.90	2,427,022

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
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<b>Business-Type Activities (continued)</b>	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<i>Ohio Public Works Commission Loans</i>				
<i>Water</i>				
Northfield Road Water Line	2007	2029	0.00	\$400,000
Grand, Franklin Water Line	2012	2032	0.00	454,000
<i>Wastewater</i>				
Flow Control	1995	2015	0.00	83,265
Oxidation Tower Improvements	2004	2025	0.00	822,286
Sludge Thickener	2008	2029	0.00	200,336

Changes in long-term obligations during the year ended December 31, 2013, consisted of the following:

	Balance 12/31/12	Increase	Decrease	Balance 12/31/13	Amounts Due in One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
<i>Various Purpose Refunding Bonds</i>					
Serial	\$7,621,800	\$0	\$382,800	\$7,239,000	\$401,100
Premium	42,462	0	2,862	39,600	0
Discount	(38,410)	0	(2,589)	(35,821)	0
Total Various Purpose Refunding Bonds	<u>7,625,852</u>	<u>0</u>	<u>383,073</u>	<u>7,242,779</u>	<u>401,100</u>
City Hall	770,000	0	770,000	0	0
City Hall Court	560,000	0	560,000	0	0
<i>General Obligation Refunding Bonds</i>					
Serial	0	2,314,300	180,100	2,134,200	283,400
Premium	0	66,577	4,258	62,319	0
Total General Obligation Refunding Bonds	<u>0</u>	<u>2,380,877</u>	<u>184,358</u>	<u>2,196,519</u>	<u>283,400</u>
<i>Capital Improvement Bonds</i>					
Serial	1,160,000	0	135,000	1,025,000	135,000
Build America Bonds - Term	850,000	0	0	850,000	0
Premium	18,178	0	2,371	15,807	0
Total Capital Improvement Bonds	<u>2,028,178</u>	<u>0</u>	<u>137,371</u>	<u>1,890,807</u>	<u>135,000</u>
<i>Total General Obligation Bonds</i>	<u>10,984,030</u>	<u>2,380,877</u>	<u>2,034,802</u>	<u>11,330,105</u>	<u>819,500</u>
<i>Special Assessment Bonds</i>					
Northfield and Rockside Resurfacing #2	170,000	0	55,000	115,000	55,000
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	33,390	0	22,260	11,130	11,130
Wandle Avenue	207,431	0	25,929	181,502	25,929
Broadway Culvert	492,432	0	25,917	466,515	25,917
<i>Total Ohio Public Works Commission Loans</i>	<u>733,253</u>	<u>0</u>	<u>74,106</u>	<u>659,147</u>	<u>62,976</u>
<i>Other Long-Term Obligations</i>					
Police Pension	176,794	0	4,833	171,961	5,041
Capital Leases Payable	44,475	0	13,311	31,164	8,376
Compensated Absences Payable	1,370,272	582,093	520,331	1,432,034	495,584
<i>Total Other Long-Term Obligations</i>	<u>1,591,541</u>	<u>582,093</u>	<u>538,475</u>	<u>1,635,159</u>	<u>509,001</u>
<i>Total Governmental Activities</i>	<u>\$13,478,824</u>	<u>\$2,962,970</u>	<u>\$2,702,383</u>	<u>\$13,739,411</u>	<u>\$1,446,477</u>

**City of Bedford, Ohio**  
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	Balance 12/31/12	Increase	Decrease	Balance 12/31/13	Amounts Due in One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$270,000	\$0	\$270,000	\$0	\$0
Washington Street Water	503,200	0	27,200	476,000	28,900
Unamortized Premium	3,139	0	212	2,927	0
Unamortized Discount	(2,830)	0	(191)	(2,639)	0
Total Washington Street Water	503,509	0	27,221	476,288	28,900
<i>Capital Improvement Bonds</i>					
Serial	410,000	0	45,000	365,000	50,000
Build America Bonds - Term	1,170,000	0	0	1,170,000	0
Unamortized Premium	6,338	0	827	5,511	0
Total Capital Improvement - Water	1,586,338	0	45,827	1,540,511	50,000
<i>General Obligation Refunding Bonds</i>					
Serial	0	1,305,000	50,000	1,255,000	100,000
Term	0	465,000	0	465,000	0
Unamortized Premium	0	36,986	1,340	35,646	0
Unamortized Discount	0	(12,067)	(302)	(11,765)	0
Total General Obligation Bonds - Water	0	1,794,919	51,038	1,743,881	100,000
Sewer Improvement Refunding	300,000	0	0	300,000	0
Unamortized Premium	850	0	58	792	0
Unamortized Discount	(565)	0	(38)	(527)	0
Total Sewer Improvement Refunding	300,285	0	20	300,265	0
Sewer Improvement	150,000	0	150,000	0	0
<i>Capital Improvement Bonds</i>					
Serial	335,000	0	40,000	295,000	40,000
Build America Bonds - Term	945,000	0	0	945,000	0
Unamortized Premium	5,281	0	689	4,592	0
Total Capital Improvement - Sewer	1,285,281	0	40,689	1,244,592	40,000
<i>General Obligation Refunding Bonds</i>					
Serial	0	3,340,700	34,900	3,305,800	176,600
Term	0	215,000	0	215,000	0
Unamortized Premium	0	103,799	3,568	100,231	0
Unamortized Discount	0	(10,737)	(336)	(10,401)	0
Total General Obligation Bonds - Sewer	0	3,648,762	38,132	3,610,630	176,600
<i>Total General Obligation Bonds</i>	4,095,413	5,443,681	622,927	8,916,167	395,500
<i>OWDA Loans</i>					
Sewer System	832,056	0	832,056	0	0
Rapid Sandfilter	1,561,126	0	116,128	1,444,998	120,702
<i>Total OWDA Loans</i>	\$2,393,182	\$0	\$948,184	\$1,444,998	\$120,702

**City of Bedford, Ohio**  
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	Balance 12/31/12	Increase	Decrease	Balance 12/31/13	Amounts Due in One Year
<b>Business-Type Activities (continued)</b>					
<i>OPWC Loans</i>					
Northfield Road Water Line	\$330,000	\$0	\$20,000	\$310,000	\$20,000
Grand, Franklin Water Line	442,650	0	22,700	419,950	22,700
Flow Control	8,329	0	4,163	4,166	4,166
Oxidation Tower Improvements	513,930	0	41,114	472,816	41,114
Sludge Thickener	165,277	0	10,017	155,260	10,017
<i>Total OPWC Loans</i>	<u>1,460,186</u>	<u>0</u>	<u>97,994</u>	<u>1,362,192</u>	<u>97,997</u>
<i>Other Long-Term Liabilities</i>					
Compensated Absences	129,620	42,179	52,550	119,249	71,368
<i>Total Business-Type Activities</i>	<u>\$8,078,401</u>	<u>\$5,485,860</u>	<u>\$1,721,655</u>	<u>\$11,842,606</u>	<u>\$685,567</u>

General obligation bonds will be paid from the general obligation bond retirement debt service fund as well as user charges from the appropriate enterprise fund. A portion of the general obligation bonds, specifically for the construction of the municipal complex and the court, is backed by a .25 percent municipal income tax and a municipal court fee added to court cases, respectively. Special assessment bonds will be paid from the proceeds of special assessments against benefited property owners. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

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

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

In 2006, the City defeased a 1999 city hall general obligation bond issue, a 2000 city hall general obligation bond issue, a 2000 city hall court general obligation bond issue and a 2002 sewer improvement general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2013, \$6,070,000 of the defeased bonds are still outstanding.

In 2013, the City issued general obligation bonds, in the amount of \$7,640,000, to refund bonds previously issued in 2002 for various purposes. The 2013 issue also consisted of proceeds for improvements to streets and water and sewer infrastructure projects. The bonds were issued with interest rates varying from 1 percent to 3.5 percent. The bonds were issued for a twenty-five year period with a final maturity during 2038. The bonds will be retired through the bond retirement debt service fund and the water and sewer enterprise funds.



**City of Bedford, Ohio**  
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The governmental bonds were sold at a premium of \$66,577. The business-type bonds were sold at a premium and discount of \$36,986 and (\$12,067), respectively. As a result, \$1,750,000 of these bonds are considered defeased and the liability for the refunded bonds have been removed from the City's financial statements. The amount still outstanding at December 31, 2013 is \$1,415,000.

Although the refunding will result in the recognition of a governmental accounting loss of \$16,967, the City in effect decreased its aggregate debt service payments by \$64,449 over the next seventeen years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$53,449.

Although the refunding will result in the recognition of a water and sewer accounting loss of \$11,875 and \$2,840, respectively, the City in effect decreased its aggregate debt service payments by \$84,776 and \$8,519, respectively over the next seventeen years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$50,321 and \$8,050, respectively.

The City has pledged future revenues, net of operating expenses, to repay OWDA and OPWC loans in the wastewater fund. The debt is payable solely from net revenues through 2029. Annual principal and interest payments on the debt issues are expected to require coverage of .84 of net revenues. The total principal and interest remaining to be paid on the debt is \$2,391,150. Principal and interest paid for the current year and total net revenues available were \$1,093,116 and \$917,895, respectively.

The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the water fund. The debt is payable solely from net revenues through 2032. Annual principal payments on the debt issues are expected to require coverage of 29.19 of net revenues. The total principal remaining to be paid on the debt is \$729,950. Principal paid for the current year and total net revenues available were \$42,700 and \$1,246,357, respectively.

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

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

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

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

The City's overall legal debt margin was \$20,872,544 at December 31, 2013. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2013, are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$684,500	\$365,510	\$55,000	\$7,015	\$5,041	\$7,255	\$62,976
2015	699,400	311,132	60,000	3,660	5,257	7,039	51,847
2016	715,200	291,705	0	0	5,483	6,813	51,847
2017	752,700	268,913	0	0	5,719	6,578	51,846
2018	811,000	242,481	0	0	5,964	6,332	51,847
2019-2023	3,078,000	819,233	0	0	33,893	27,588	181,444
2024-2028	2,632,400	253,143	0	0	41,824	19,658	129,588
2029-2033	0	0	0	0	51,612	9,899	77,752
2034-2035	0	0	0	0	17,168	723	0
<b>Total</b>	<b>\$9,373,200</b>	<b>\$2,552,117</b>	<b>\$115,000</b>	<b>\$10,675</b>	<b>\$171,961</b>	<b>\$91,885</b>	<b>\$659,147</b>

**City of Bedford, Ohio**  
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Capital Improvement Bonds and Build America Bonds (BABs)				
Year	Serial and Term			Total
	Principal	Interest	Subsidy	
2014	\$135,000	\$64,853	(\$14,591)	\$185,262
2015	140,000	62,152	(14,592)	187,560
2016	145,000	59,353	(14,591)	189,762
2017	150,000	56,452	(14,592)	191,860
2018	150,000	53,078	(14,591)	188,487
2019-2023	710,000	199,825	(65,643)	844,182
2024-2028	415,000	53,777	(18,822)	449,955
2029-2031	30,000	3,330	(1,165)	32,165
Total	\$1,875,000	\$552,820	(\$158,587)	\$2,269,233

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loan
2014	\$305,500	\$160,828	\$120,702	\$55,189	\$97,997
2015	310,600	156,906	125,455	50,436	93,830
2016	319,800	152,882	130,395	45,495	93,832
2017	327,300	145,774	135,530	40,361	93,830
2018	274,000	139,057	140,868	35,024	93,832
2019-2023	1,422,000	583,628	792,048	87,405	469,155
2024-2028	1,312,600	384,429	0	0	325,258
2029-2033	1,350,000	198,446	0	0	94,458
2034-2038	395,000	42,162	0	0	0
Total	\$6,016,800	\$1,964,112	\$1,444,998	\$313,910	\$1,362,192

Capital Improvement Bonds and Build America Bonds (BABs)				
Year	Serial and Term			Total
	Principal	Interest	Subsidy	
2014	\$90,000	\$128,283	(\$39,675)	\$178,608
2015	90,000	126,482	(39,675)	176,807
2016	90,000	124,682	(39,675)	175,007
2017	90,000	122,883	(39,675)	173,208
2018	100,000	120,857	(39,675)	181,182
2019-2023	515,000	560,300	(193,305)	881,995
2024-2028	595,000	434,795	(152,178)	877,617
2029-2033	715,000	261,633	(91,572)	885,061
2034-2036	490,000	56,217	(19,676)	526,541
Total	\$2,775,000	\$1,936,132	(\$655,106)	\$4,056,026

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**Note 15 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 12.6 percent, respectively. Effective January 1, 2014, the member contribution rates for law enforcement increased to 13 percent. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1.00 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$890,309, \$644,187 and \$645,200 respectively. For 2013, 88.21 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$8,270 made by the City and \$5,907 made by the plan members.

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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***Ohio Police and Fire Pension Fund***

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

Funding Policy – Employer and employee contributions rates are set by the Ohio Revised Code. From January 1, 2013, thru July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013, thru May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, thru December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to the OP&F for police and firefighters were \$434,700 and \$513,895 for the year ended December 31, 2013, \$314,494 and \$374,149 for the year ended December 31, 2012, and \$324,035 and \$352,786 for the year ended December 31, 2011, respectively. For 2013, 88.54 percent for police and 88.31 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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, 2013, the unfunded liability of the City was \$171,961 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

**Note 16 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1.00. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

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

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012 and 2011 were \$68,485, \$257,675 and \$258,080 respectively. For 2013, 88.21 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Ohio Police and Fire Pension Fund***

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

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

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013, thru May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, thru December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$104,975 and \$96,286 for the year ended December 31, 2013, \$166,497 and \$146,406 for the year ended December 31, 2012, and \$171,548 and \$138,047 for the year ended December 31, 2011. For 2012, 88.54 percent has been contributed for police and 88.31 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

## **Note 17 – Significant Commitments**

### ***Encumbrances***

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

**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

<b>Governmental Funds:</b>		<b>Proprietary Funds:</b>	
General	\$243,973	Water fund	\$560,537
Public Safety	667	Sewer fund	372,031
Other Governmental Funds	182,845	Health Insurance fund	2,100
<b>Total Governmental</b>	<b><u><u>\$427,485</u></u></b>	<b>Total Proprietary</b>	<b><u><u>\$934,668</u></u></b>

**Contractual Commitments**

As of December 31, 2013, the City had the following contract balances for various construction projects:

Broadway Waterline Improvement	\$492,270
Commercial Water Meter Replacement	98,557
Primary Tank Valve Replacement	88,173
Rotary Distribution Rehabilitation	86,819
3-Way Valve Replacement Piping	68,210
Electrical Voltage/Phase Monitoring	21,997
Sludge Pump Replacement	16,900
Archer Road Pump Station Rehabilitation	12,522
Sludge Well Repair	9,797
<b>Total</b>	<b><u><u>\$895,245</u></u></b>

**Note 18 - Risk Management**

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Automobile Liability	\$5,000,000	\$0
General Liability	5,000,000 per occurrence	1,000
Property Liability	50,381,362	1,000
Boiler and Machinery	10,000,000	1,000
Emergency Medical Services Liability	5,000,000 per occurrence	1,000
Law Enforcement Liability	5,000,000 per occurrence	2,500
Public Officials Liability	5,000,000 aggregate	2,500
Employee Benefit Liability	1,000,000 aggregate	1,000
Uninsured Motorists	25,000	0
Stop Gap	1,000,000 aggregate	1,000
Municipal Attorney and Law Director Liability	1,000,000	2,500
Fire Damage Liability	100,000	1,000

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



**City of Bedford, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

Medical Mutual of Ohio serves as the third party administrator who reviews and processes medical, prescription, dental and vision claims which the City then pays after discounts are applied. The City has stop loss coverage of \$100,000 per individual. The departments are charged an amount annually equal to the estimated costs for the year divided by the number of qualified covered employees.

The claims liability of \$184,702 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2013, 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 2012 and 2013 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2012	\$180,709	\$2,860,158	\$2,698,622	\$342,245
2013	342,245	2,512,268	2,669,811	184,702

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 19 – Changes in Accounting Principles**

For 2013, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus." GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. The implementation of the statement did not result in any change in the City's financial statements.

**Note 20 – Subsequent Event**

At the time of this report in 2014, the City formed a Regional Council of Governments between the cities of Bedford, Bedford Heights, Maple Heights and Garfield Heights. Also being considered as one of the original members is the City of Euclid, which will provide 911 dispatch services through an entity to be named at a later date.

## Combining and Individual Fund Statements and Schedules

### Combining Statements – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

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

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

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

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

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

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

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

### *Nonmajor Debt Service Funds*

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

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

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

### *Nonmajor Capital Projects Funds*

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

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

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

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2013*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,302,770	\$213,359	\$843,323	\$3,359,452
Restricted Assets:				
Cash and Cash Equivalents				
with Fiscal Agents	0	0	48,229	48,229
Accounts Receivable	0	0	29,378	29,378
Intergovernmental Receivable	355,431	0	0	355,431
Special Assessments Receivable	288,647	238,081	0	526,728
Assets Held for Resale	1,054,568	0	0	1,054,568
<i>Total Assets</i>	<u>\$4,001,416</u>	<u>\$451,440</u>	<u>\$920,930</u>	<u>\$5,373,786</u>
<b>Liabilities</b>				
Accounts Payable	\$106,592	\$0	\$74,582	\$181,174
Accrued Wages	7,006	0	0	7,006
Intergovernmental Payable	4,528	0	0	4,528
Interfund Payable	575,482	0	0	575,482
Retainage Payable	0	0	48,229	48,229
Unearned Revenue	0	0	252,000	252,000
<i>Total Liabilities</i>	<u>693,608</u>	<u>0</u>	<u>374,811</u>	<u>1,068,419</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	500,844	238,081	0	738,925
<b>Fund Balances</b>				
Restricted	2,881,674	213,359	119,889	3,214,922
Committed	0	0	15,091	15,091
Assigned	0	0	411,139	411,139
Unassigned (Deficit)	(74,710)	0	0	(74,710)
<i>Total Fund Balances</i>	<u>2,806,964</u>	<u>213,359</u>	<u>546,119</u>	<u>3,566,442</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,001,416</u>	<u>\$451,440</u>	<u>\$920,930</u>	<u>\$5,373,786</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2013*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$217,615	\$0	\$217,615
Municipal Income Taxes	0	710,925	0	710,925
Charges for Services	2,750	0	0	2,750
Fines and Forfeitures	195,820	0	68,791	264,611
Intergovernmental	1,172,501	23,040	0	1,195,541
Special Assessments	289,654	70,446	0	360,100
Contributions and Donations	60,297	0	0	60,297
Interest	3,947	1,476	3,212	8,635
Other	135,139	13,436	45,269	193,844
<i>Total Revenues</i>	<u>1,860,108</u>	<u>1,036,938</u>	<u>117,272</u>	<u>3,014,318</u>
<b>Expenditures</b>				
Current:				
General Government	38,832	0	0	38,832
Security of Persons and Property:				
Police	665,387	0	0	665,387
Fire	27,874	0	0	27,874
Public Health and Welfare	8,423	0	0	8,423
Leisure Time Activities	13,797	0	0	13,797
Community Development	182,411	0	0	182,411
Basic Utility Services	333,255	0	0	333,255
Transportation	684,574	0	0	684,574
Capital Outlay	0	0	1,401,483	1,401,483
Debt Service:				
Principal Retirement	0	827,006	0	827,006
Interest and Fiscal Charges	0	376,054	0	376,054
Bond Issuance Costs	0	67,270	0	67,270
<i>Total Expenditures</i>	<u>1,954,553</u>	<u>1,270,330</u>	<u>1,401,483</u>	<u>4,626,366</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(94,445)</u>	<u>(233,392)</u>	<u>(1,284,211)</u>	<u>(1,612,048)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	1,222	0	0	1,222
General Obligation Bonds Issued	0	839,300	1,475,000	2,314,300
Premium on Bonds	0	33,866	32,711	66,577
Payment to Refunded Bond Escrow Agent	0	(1,346,967)	0	(1,346,967)
Transfers In	151,250	738,110	0	889,360
Transfers Out	(699,788)	0	0	(699,788)
<i>Total Other Financing Sources (Uses)</i>	<u>(547,316)</u>	<u>264,309</u>	<u>1,507,711</u>	<u>1,224,704</u>
<i>Net Change in Fund Balances</i>	(641,761)	30,917	223,500	(387,344)
<i>Fund Balances Beginning of Year</i>	<u>3,448,725</u>	<u>182,442</u>	<u>322,619</u>	<u>3,953,786</u>
<i>Fund Balances End of Year</i>	<u>\$2,806,964</u>	<u>\$213,359</u>	<u>\$546,119</u>	<u>\$3,566,442</u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2013*

	Community Development Block Grant	State Highway	Indigent Drivers
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$148,669	\$126,740	\$209,558
Intergovernmental Receivable	3,378	19,811	4,720
Special Assessments Receivable	0	0	0
Assets Held for Resale	727,547	0	0
<i>Total Assets</i>	<u>\$879,594</u>	<u>\$146,551</u>	<u>\$214,278</u>
<b>Liabilities</b>			
Accounts Payable	\$4,474	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	160,000	0	0
<i>Total Liabilities</i>	<u>164,474</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	13,652	0
<b>Fund Balances</b>			
Restricted	715,120	132,899	214,278
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>715,120</u>	<u>132,899</u>	<u>214,278</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$879,594</u>	<u>\$146,551</u>	<u>\$214,278</u>

<u>SEALE Narcotics</u>	<u>Enforcement and Education</u>	<u>Street Lighting</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
\$162,425	\$3,122	\$250,004	\$732,079	\$14,407
29,988	0	0	244,740	0
0	0	288,647	0	0
0	0	0	0	0
<u>\$192,413</u>	<u>\$3,122</u>	<u>\$538,651</u>	<u>\$976,819</u>	<u>\$14,407</u>
\$30,281	\$0	\$34,478	\$36,112	\$0
0	0	0	7,006	0
0	0	0	4,528	0
0	0	0	0	0
<u>30,281</u>	<u>0</u>	<u>34,478</u>	<u>47,646</u>	<u>0</u>
0	0	288,647	168,661	0
162,132	3,122	215,526	760,512	14,407
0	0	0	0	0
<u>162,132</u>	<u>3,122</u>	<u>215,526</u>	<u>760,512</u>	<u>14,407</u>
<u>\$192,413</u>	<u>\$3,122</u>	<u>\$538,651</u>	<u>\$976,819</u>	<u>\$14,407</u>

(continued)

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2013*

	Motor Vehicle License	Grants	Municipal Court Special Programs
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$114,585	\$160,976	\$238,270
Intergovernmental Receivable	43,568	7,126	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	0	0	0
<i>Total Assets</i>	<u>\$158,153</u>	<u>\$168,102</u>	<u>\$238,270</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	29,884	0	0
<b>Fund Balances</b>			
Restricted	128,269	168,102	238,270
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>128,269</u>	<u>168,102</u>	<u>238,270</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$158,153</u>	<u>\$168,102</u>	<u>\$238,270</u>



<u>HUD Rehabilitation Program</u>	<u>Indigent Interlock and Monitoring</u>	<u>Cemetery Donations</u>	<u>Bedford Municipal Court Legal Research</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$14,998	\$66,992	\$43,439	\$16,506	\$2,302,770
0	0	2,100	0	355,431
0	0	0	0	288,647
327,021	0	0	0	1,054,568
<u>\$342,019</u>	<u>\$66,992</u>	<u>\$45,539</u>	<u>\$16,506</u>	<u>\$4,001,416</u>
\$1,247	\$0	\$0	\$0	\$106,592
0	0	0	0	7,006
0	0	0	0	4,528
415,482	0	0	0	575,482
<u>416,729</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>693,608</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,844</u>
0	66,992	45,539	16,506	2,881,674
(74,710)	0	0	0	(74,710)
<u>(74,710)</u>	<u>66,992</u>	<u>45,539</u>	<u>16,506</u>	<u>2,806,964</u>
<u>\$342,019</u>	<u>\$66,992</u>	<u>\$45,539</u>	<u>\$16,506</u>	<u>\$4,001,416</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, 2013*

	Community Development Block Grant	State Highway	Indigent Drivers	SEALE Narcotics
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0
Intergovernmental	109,365	39,386	19,968	299,705
Special Assessments	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	250	441	0
Other	0	0	0	134,561
<i>Total Revenues</i>	<u>109,365</u>	<u>39,636</u>	<u>20,409</u>	<u>434,266</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	603,773
Fire	0	0	0	0
Public Health and Welfare	0	0	8,423	0
Leisure Time Activities	0	0	0	0
Community Development	131,548	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	42,698	0	0
<i>Total Expenditures</i>	<u>131,548</u>	<u>42,698</u>	<u>8,423</u>	<u>603,773</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(22,183)</u>	<u>(3,062)</u>	<u>11,986</u>	<u>(169,507)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(22,183)</u>	<u>(3,062)</u>	<u>11,986</u>	<u>(169,507)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>737,303</u>	<u>135,961</u>	<u>202,292</u>	<u>331,639</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$715,120</u>	<u>\$132,899</u>	<u>\$214,278</u>	<u>\$162,132</u>

Enforcement and Education	Street Lighting	Street Construction, Maintenance and Repair	Law Enforcement Trust	Motor Vehicle License	Grants	Municipal Court Special Programs
\$0	\$0	\$0	\$0	\$0	\$650	\$0
104	0	0	14,520	0	0	142,656
790	0	487,279	0	85,433	130,575	0
0	289,654	0	0	0	0	0
0	0	0	0	0	60,297	0
6	602	1,537	13	197	0	672
0	0	528	0	0	0	0
900	290,256	489,344	14,533	85,630	191,522	143,328
0	0	0	0	0	269	36,143
0	0	0	3,856	0	57,758	0
0	0	0	0	0	27,874	0
0	0	0	0	0	0	0
0	0	0	0	0	13,797	0
0	0	0	0	0	0	0
0	333,255	0	0	0	0	0
0	0	537,529	0	72,040	32,307	0
0	333,255	537,529	3,856	72,040	132,005	36,143
900	(42,999)	(48,185)	10,677	13,590	59,517	107,185
0	0	1,222	0	0	0	0
0	0	137,500	0	0	13,750	0
0	0	0	0	0	0	(699,788)
0	0	138,722	0	0	13,750	(699,788)
900	(42,999)	90,537	10,677	13,590	73,267	(592,603)
2,222	258,525	669,975	3,730	114,679	94,835	830,873
\$3,122	\$215,526	\$760,512	\$14,407	\$128,269	\$168,102	\$238,270

(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, 2013*

	HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Donations	Bedford Municipal Court Legal Research	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Charges for Services	\$0	\$0	\$2,100	\$0	\$2,750
Fines and Forfeitures	0	22,034	0	16,506	195,820
Intergovernmental	0	0	0	0	1,172,501
Special Assessments	0	0	0	0	289,654
Contributions and Donations	0	0	0	0	60,297
Interest	0	132	97	0	3,947
Other	0	0	50	0	135,139
<i>Total Revenues</i>	<u>0</u>	<u>22,166</u>	<u>2,247</u>	<u>16,506</u>	<u>1,860,108</u>
<b>Expenditures</b>					
Current:					
General Government	0	2,420	0	0	38,832
Security of Persons and Property:					
Police	0	0	0	0	665,387
Fire	0	0	0	0	27,874
Public Health and Welfare	0	0	0	0	8,423
Leisure Time Activities	0	0	0	0	13,797
Community Development	50,863	0	0	0	182,411
Basic Utility Services	0	0	0	0	333,255
Transportation	0	0	0	0	684,574
<i>Total Expenditures</i>	<u>50,863</u>	<u>2,420</u>	<u>0</u>	<u>0</u>	<u>1,954,553</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(50,863)</u>	<u>19,746</u>	<u>2,247</u>	<u>16,506</u>	<u>(94,445)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	0	0	0	0	1,222
Transfers In	0	0	0	0	151,250
Transfers Out	0	0	0	0	(699,788)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(547,316)</u>
<i>Net Change in Fund Balances</i>	<u>(50,863)</u>	<u>19,746</u>	<u>2,247</u>	<u>16,506</u>	<u>(641,761)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(23,847)</u>	<u>47,246</u>	<u>43,292</u>	<u>0</u>	<u>3,448,725</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$74,710)</u>	<u>\$66,992</u>	<u>\$45,539</u>	<u>\$16,506</u>	<u>\$2,806,964</u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2013*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$138,356	\$75,003	\$213,359
Special Assessments Receivable	0	238,081	238,081
<i>Total Assets</i>	<u>\$138,356</u>	<u>\$313,084</u>	<u>\$451,440</u>
<b>Liabilities</b>			
	\$0	\$0	\$0
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	238,081	238,081
<b>Fund Balances</b>			
Restricted	<u>138,356</u>	<u>75,003</u>	<u>213,359</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$138,356</u>	<u>\$313,084</u>	<u>\$451,440</u>

**City of Bedford, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2013*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Property Taxes	\$217,615	\$0	\$217,615
Municipal Income Taxes	710,925	0	710,925
Intergovernmental	23,040	0	23,040
Special Assessments	0	70,446	70,446
Interest	1,262	214	1,476
Other	13,436	0	13,436
<i>Total Revenues</i>	<u>966,278</u>	<u>70,660</u>	<u>1,036,938</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	772,006	55,000	827,006
Interest and Fiscal Charges	365,684	10,370	376,054
Bond Issuance Costs	67,270	0	67,270
<i>Total Expenditures</i>	<u>1,204,960</u>	<u>65,370</u>	<u>1,270,330</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(238,682)</u>	<u>5,290</u>	<u>(233,392)</u>
<b>Other Financing Sources</b>			
General Obligation Bonds Issued	839,300	0	839,300
Premium on Bonds	33,866	0	33,866
Payment to Refunded Bond Escrow Agent	(1,346,967)	0	(1,346,967)
Transfers In	738,110	0	738,110
<i>Total Other Financing Sources (Uses)</i>	<u>264,309</u>	<u>0</u>	<u>264,309</u>
<i>Net Change in Fund Balances</i>	25,627	5,290	30,917
<i>Fund Balances Beginning of Year</i>	<u>112,729</u>	<u>69,713</u>	<u>182,442</u>
<i>Fund Balances End of Year</i>	<u><u>\$138,356</u></u>	<u><u>\$75,003</u></u>	<u><u>\$213,359</u></u>

**City of Bedford, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2013*

	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$119,889	\$723,434	\$843,323
Restricted Assets:			
Cash and Cash Equivalents			
With Fiscal Agents	0	48,229	48,229
Accounts Receivable	0	29,378	29,378
<i>Total Assets</i>	<u>\$119,889</u>	<u>\$801,041</u>	<u>\$920,930</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$74,582	\$74,582
Retainage Payable	0	48,229	48,229
Unearned Revenue	0	252,000	252,000
<i>Total Liabilities</i>	<u>0</u>	<u>374,811</u>	<u>374,811</u>
<b>Fund Balances</b>			
Restricted	119,889	0	119,889
Committed	0	15,091	15,091
Assigned	0	411,139	411,139
<i>Total Fund Balances</i>	<u>119,889</u>	<u>426,230</u>	<u>546,119</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$119,889</u>	<u>\$801,041</u>	<u>\$920,930</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, 2013*

	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Fines and Forfeitures	\$68,791	\$0	\$68,791
Interest	274	2,938	3,212
Other	6,891	38,378	45,269
<i>Total Revenues</i>	75,956	41,316	117,272
<b>Expenditures</b>			
Capital Outlay	103,255	1,298,228	1,401,483
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(27,299)	(1,256,912)	(1,284,211)
<b>Other Financing Sources</b>			
General Obligation Bonds Issued	0	1,475,000	1,475,000
Premium on Bonds	0	32,711	32,711
<i>Total Other Financing Sources</i>	0	1,507,711	1,507,711
<i>Net Change in Fund Balances</i>	(27,299)	250,799	223,500
<i>Fund Balances Beginning of Year</i>	147,188	175,431	322,619
<i>Fund Balances End of Year</i>	\$119,889	\$426,230	\$546,119



## Combining Statement - Agency Funds

### *Agency Funds*

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

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

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

**City of Bedford, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2013*

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents In Segregated Accounts	\$187,395	\$6,150,761	\$6,135,796	\$202,360
<b>Liabilities</b>				
Deposits Held and Due to Others	\$187,395	\$6,150,761	\$6,135,796	\$202,360
 <b><i>State Inspection Fee</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$237	\$1,597	\$1,784	\$50
<b>Liabilities</b>				
Deposits Held and Due to Others	\$237	\$1,597	\$1,784	\$50
 <b><i>All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$237	\$1,597	\$1,784	\$50
Cash and Cash Equivalents In Segregated Accounts	187,395	6,150,761	6,135,796	202,360
<b>Total Assets</b>	<b>\$187,632</b>	<b>\$6,152,358</b>	<b>\$6,137,580</b>	<b>\$202,410</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$187,632	\$6,152,358	\$6,137,580	\$202,410

**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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,795,215	\$1,795,215	\$1,829,321	\$34,106
Municipal Income Taxes	9,136,220	9,136,220	9,141,164	4,944
Charges for Services	614,625	614,625	620,471	5,846
Fees, Licenses and Permits	223,050	223,050	228,486	5,436
Fines and Forfeitures	1,619,800	1,619,800	1,622,217	2,417
Intergovernmental	1,364,527	1,483,158	1,394,140	(89,018)
Special Assessments	20,000	20,000	32,286	12,286
Interest	29,000	29,000	19,328	(9,672)
Rentals	92,700	92,700	98,701	6,001
Other	37,000	40,500	33,641	(6,859)
<i>Total Revenues</i>	14,932,137	15,054,268	15,019,755	(34,513)
<b>Expenditures</b>				
Current:				
General Government:				
Council and Clerk:				
Personal Services	260,640	289,086	288,533	553
Other	48,500	55,500	45,494	10,006
Total Council and Clerk	309,140	344,586	334,027	10,559
Finance Department:				
Personal Services	120,365	142,482	133,051	9,431
Capital Outlay	25,160	25,160	25,160	0
Other	339,670	339,670	311,795	27,875
Total Finance Department	485,195	507,312	470,006	37,306
Income Tax Department:				
Personal Services	238,505	247,541	230,571	16,970
Other	160,787	160,787	134,578	26,209
Total Income Tax Department	399,292	408,328	365,149	43,179
City Manager:				
Personal Services	316,685	325,721	304,529	21,192
Other	12,820	12,820	3,524	9,296
Total City Manager	\$329,505	\$338,541	\$308,053	\$30,488

(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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Law Department:				
Personal Services	\$133,155	\$142,979	\$133,749	\$9,230
Other	97,000	108,000	94,870	13,130
Total Law Department	230,155	250,979	228,619	22,360
Engineering:				
Personal Services	14,700	14,700	14,697	3
Other	29,500	29,500	29,344	156
Total Engineering	44,200	44,200	44,041	159
Municipal Court:				
Personal Services	1,878,710	1,941,962	1,877,756	64,206
Other	294,900	319,900	239,377	80,523
Total Municipal Court	2,173,610	2,261,862	2,117,133	144,729
Special Projects:				
Other	181,775	184,675	131,466	53,209
Civil Service Commission:				
Personal Services	3,060	3,060	1,485	1,575
Other	30,000	30,000	6,363	23,637
Total Civil Service Commission	33,060	33,060	7,848	25,212
Municipal Complex:				
Personal Services	169,345	172,357	153,750	18,607
Capital Outlay	9,772	9,572	9,572	0
Other	465,850	515,622	472,768	42,854
Total Municipal Complex	644,967	697,551	636,090	61,461
County Auditor Deductions:				
Other	120,000	120,000	71,463	48,537
Total General Government	\$4,950,899	\$5,191,094	\$4,713,895	\$477,199

(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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$1,479,690	\$1,634,694	\$1,559,765	\$74,929
Capital Outlay	10,750	10,750	8,104	2,646
Other	367,255	367,255	318,582	48,673
Total Police	1,857,695	2,012,699	1,886,451	126,248
Fire:				
Fire Equipment:				
Personal Services	45,000	45,000	38,800	6,200
Capital Outlay	299,571	303,570	264,714	38,856
Other	2,000	3,000	2,935	65
Total Fire	346,571	351,570	306,449	45,121
Total Security of Persons and Property	2,204,266	2,364,269	2,192,900	171,369
Public Health and Welfare:				
Health Department:				
Other	50,204	50,204	50,204	0
Leisure Time Activities:				
Parks and Playground:				
Personal Services	13,110	17,610	17,215	395
Other	159,696	155,196	99,445	55,751
Total Leisure Time Activities	172,806	172,806	116,660	56,146
Community Development:				
Planning Commission Department:				
Personal Services	595	1,095	725	370
Other	1,780	1,780	1,692	88
Total Planning Commission Department	\$2,375	\$2,875	\$2,417	\$458

(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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building Department:				
Personal Services	\$438,420	\$453,480	\$383,480	\$70,000
Capital Outlay	3,000	3,000	2,955	45
Other	31,000	31,000	18,552	12,448
Total Building Department	472,420	487,480	404,987	82,493
Total Community Development	474,795	490,355	407,404	82,951
Basic Utility Services:				
Refuse Collection:				
Other	709,000	716,920	702,318	14,602
Transportation:				
Service Department:				
Personal Services	1,672,350	1,729,578	1,636,461	93,117
Other	32,838	32,838	13,037	19,801
Total Transportation	1,705,188	1,762,416	1,649,498	112,918
<i>Total Expenditures</i>	10,267,158	10,748,064	9,832,879	915,185
<i>Excess of Revenues Over Expenditures</i>	4,664,979	4,306,204	5,186,876	880,672
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	10,000	10,000	4,423	(5,577)
Advances In	22,500	217,756	56,927	(160,829)
Transfers In	0	143,193	143,193	0
Transfers Out	(5,247,385)	(5,527,385)	(5,282,025)	245,360
<i>Total Other Financing Sources (Uses)</i>	(5,214,885)	(5,156,436)	(5,077,482)	78,954
<i>Net Change in Fund Balance</i>	(549,906)	(850,232)	109,394	959,626
<i>Fund Balance Beginning of Year</i>	8,586,427	8,586,427	8,586,427	0
Prior Year Encumbrances Appropriated	98,681	98,681	98,681	0
<i>Fund Balance End of Year</i>	\$8,135,202	\$7,834,876	\$8,794,502	\$959,626

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Safety Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$2,626,880	\$2,626,880	\$2,676,661	\$49,781
Fees, Licenses and Permits	85	85	78	(7)
Intergovernmental	661,824	661,824	371,326	(290,498)
Interest	5,000	5,000	1,300	(3,700)
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>3,294,289</u>	<u>3,294,289</u>	<u>3,049,365</u>	<u>(244,924)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Police Pension:				
Personal Services	486,835	616,835	516,141	100,694
Safety Forces:				
Personal Services	<u>2,585,360</u>	<u>2,585,360</u>	<u>2,501,391</u>	<u>83,969</u>
Total Police	<u>3,072,195</u>	<u>3,202,195</u>	<u>3,017,532</u>	<u>184,663</u>
Fire:				
Fire Medic Levy:				
Personal Services	3,026,334	3,115,190	3,000,219	114,971
Other	<u>187,336</u>	<u>187,336</u>	<u>138,053</u>	<u>49,283</u>
Total Fire Medic Levy	3,213,670	3,302,526	3,138,272	164,254
Fire Pension:				
Personal Services	<u>536,560</u>	<u>686,560</u>	<u>597,733</u>	<u>88,827</u>
Total Fire	<u>3,750,230</u>	<u>3,989,086</u>	<u>3,736,005</u>	<u>253,081</u>
<i>Total Expenditures</i>	<u>6,822,425</u>	<u>7,191,281</u>	<u>6,753,537</u>	<u>437,744</u>
<i>Excess of Revenues Under Expenditures</i>	(3,528,136)	(3,896,992)	(3,704,172)	192,820
<b>Other Financing Sources</b>				
Transfers In	<u>3,488,465</u>	<u>3,768,465</u>	<u>3,644,760</u>	<u>(123,705)</u>
<i>Net Change in Fund Balance</i>	(39,671)	(128,527)	(59,412)	69,115
<i>Fund Balance Beginning of Year</i>	597,250	597,250	597,250	0
Prior Year Encumbrances Appropriated	<u>13,218</u>	<u>13,218</u>	<u>13,218</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$570,797</u>	<u>\$481,941</u>	<u>\$551,056</u>	<u>\$69,115</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, 2013*

	<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	\$4,648,460	\$4,648,460	\$4,844,235	\$195,775
Other	10,000	10,000	16,118	6,118
Interest	43,443	43,443	32,095	(11,348)
General Obligation Bonds Issued	1,770,000	1,770,000	1,770,000	0
Premium on Bonds Issued	24,919	24,919	36,986	12,067
<i>Total Revenues</i>	<u>6,496,822</u>	<u>6,496,822</u>	<u>6,699,434</u>	<u>202,612</u>
<b>Expenses</b>				
Personal Services	692,910	778,994	778,747	247
Contractual Services	3,360,850	3,360,850	2,714,279	646,571
Materials and Supplies	121,379	196,378	195,358	1,020
Capital Outlay	1,886,644	1,784,965	1,764,186	20,779
Other	3,000	3,000	2,949	51
Debt Service:				
Principal Retirement	164,900	164,900	164,900	0
Payment to Refunded Bond Escrow Agent	0	281,875	281,875	0
Interest and Fiscal Charges	104,340	113,006	112,887	119
Bond Issuance Costs	0	21,086	21,086	0
Discount on Bonds Issued	0	12,067	12,067	0
<i>Total Expenses</i>	<u>6,334,023</u>	<u>6,717,121</u>	<u>6,048,334</u>	<u>668,787</u>
<i>Net Change in Fund Equity</i>	162,799	(220,299)	651,100	871,399
<i>Fund Equity Beginning of Year</i>	3,729,409	3,729,409	3,729,409	0
Prior Year Encumbrances Appropriated	68,249	68,249	68,249	0
<i>Fund Equity End of Year</i>	<u>\$3,960,457</u>	<u>\$3,577,359</u>	<u>\$4,448,758</u>	<u>\$871,399</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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,533,153	\$2,533,153	\$2,491,674	(\$41,479)
Municipal Income Taxes	303,235	303,235	304,759	1,524
Other	1,000	1,000	0	(1,000)
Interest	31,082	31,082	25,262	(5,820)
General Obligation Bonds Issued	3,555,700	3,555,700	3,555,700	0
Premium on Bonds Issued	93,062	93,062	103,799	10,737
Sale of Capital Assets	0	0	1,074	1,074
<i>Total Revenues</i>	<u>6,517,232</u>	<u>6,517,232</u>	<u>6,482,268</u>	<u>(34,964)</u>
<b>Expenses</b>				
Personal Services	1,161,470	1,191,590	1,136,885	54,705
Contractual Services	104,000	104,000	69,307	34,693
Materials and Supplies	347,500	347,500	323,990	23,510
Capital Outlay	3,722,947	3,761,818	841,919	2,919,899
Other	3,000	3,000	1,809	1,191
Debt Service:				
Principal Retirement	1,078,477	1,078,378	1,078,378	0
Payment to Refunded Bond Escrow Agent	152,840	152,840	152,840	0
Interest and Fiscal Charges	166,463	210,213	210,213	0
Bond Issuance Costs	65,252	64,763	64,520	243
Discount on Bonds Issued	10,737	10,737	10,737	0
<i>Total Expenses</i>	<u>6,812,686</u>	<u>6,924,839</u>	<u>3,890,598</u>	<u>3,034,241</u>
<i>Net Change in Fund Equity</i>	(295,454)	(407,607)	2,591,670	2,999,277
<i>Fund Equity Beginning of Year</i>	1,335,352	1,335,352	1,335,352	0
Prior Year Encumbrances Appropriated	<u>166,681</u>	<u>166,681</u>	<u>166,681</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,206,579</u>	<u>\$1,094,426</u>	<u>\$4,093,703</u>	<u>\$2,999,277</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, 2013*

	<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	\$306,800	\$306,800	\$303,422	(\$3,378)
<b>Expenditures</b>				
Current:				
Community Development:				
CDBG Department:				
Capital Outlay	209,444	209,444	202,976	6,468
Other	3,186	3,186	0	3,186
<i>Total Expenditures</i>	<u>212,630</u>	<u>212,630</u>	<u>202,976</u>	<u>9,654</u>
<i>Excess of Revenues Over Expenditures</i>	<u>94,170</u>	<u>94,170</u>	<u>100,446</u>	<u>6,276</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	220,000	220,000	0	(220,000)
Advances Out	(160,000)	(160,000)	0	160,000
<i>Total Other Financing Sources (Uses)</i>	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>(60,000)</u>
<i>Net Change in Fund Balance</i>	154,170	154,170	100,446	(53,724)
<i>Fund Balance Beginning of Year</i>	44,923	44,923	44,923	0
Prior Year Encumbrances Appropriated	3,300	3,300	3,300	0
<i>Fund Balance End of Year</i>	<u>\$202,393</u>	<u>\$202,393</u>	<u>\$148,669</u>	<u>(\$53,724)</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, 2013*

	<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	\$41,500	\$41,500	\$38,797	(\$2,703)
Interest	500	500	250	(250)
<i>Total Revenues</i>	42,000	42,000	39,047	(2,953)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	42,000	45,000	42,698	2,302
<i>Net Change in Fund Balance</i>	0	(3,000)	(3,651)	(651)
<i>Fund Balance Beginning of Year</i>	130,391	130,391	130,391	0
<i>Fund Balance End of Year</i>	<u>\$130,391</u>	<u>\$127,391</u>	<u>\$126,740</u>	<u>(\$651)</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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$25,000	\$25,000	\$38,266	\$13,266
Interest	1,000	1,000	441	(559)
<i>Total Revenues</i>	26,000	26,000	38,707	12,707
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	50,000	50,000	13,373	36,627
<i>Net Change in Fund Balance</i>	(24,000)	(24,000)	25,334	49,334
<i>Fund Balance Beginning of Year</i>	181,599	181,599	181,599	0
<i>Fund Balance End of Year</i>	<u>\$157,599</u>	<u>\$157,599</u>	<u>\$206,933</u>	<u>\$49,334</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SEALE Narcotics Fund**  
*For the Year Ended December 31, 2013*

	<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	\$371,498	\$371,498	\$324,206	(\$47,292)
Other	65,026	65,026	134,561	69,535
<i>Total Revenues</i>	<u>436,524</u>	<u>436,524</u>	<u>458,767</u>	<u>22,243</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
SEALE Narcotics:				
Personal Services	353,072	353,072	277,256	75,816
Capital Outlay	303,788	303,788	247,553	56,235
Other	56,814	56,814	48,683	8,131
<i>Total Expenditures</i>	<u>713,674</u>	<u>713,674</u>	<u>573,492</u>	<u>140,182</u>
<i>Net Change in Fund Balance</i>	(277,150)	(277,150)	(114,725)	162,425
<i>Fund Balance Beginning of Year</i>	<u>277,150</u>	<u>277,150</u>	<u>277,150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$162,425</u>	<u>\$162,425</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, 2013*

	<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	\$0	\$650	\$865	\$215
Interest	<u>0</u>	<u>0</u>	<u>6</u>	<u>6</u>
<i>Total Revenues</i>	0	650	871	221
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Enforcement and Education:				
Personal Services	<u>650</u>	<u>2,147</u>	<u>0</u>	<u>2,147</u>
<i>Net Change in Fund Balance</i>	(650)	(1,497)	871	2,368
<i>Fund Balance Beginning of Year</i>	<u>2,147</u>	<u>2,147</u>	<u>2,147</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,497</u></u>	<u><u>\$650</u></u>	<u><u>\$3,018</u></u>	<u><u>\$2,368</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2013*

	<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	\$290,740	\$290,740	\$289,654	(\$1,086)
Interest	1,680	1,680	602	(1,078)
<i>Total Revenues</i>	292,420	292,420	290,256	(2,164)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	335,000	335,000	324,518	10,482
<i>Net Change in Fund Balance</i>	(42,580)	(42,580)	(34,262)	8,318
<i>Fund Balance Beginning of Year</i>	284,266	284,266	284,266	0
<i>Fund Balance End of Year</i>	<u>\$241,686</u>	<u>\$241,686</u>	<u>\$250,004</u>	<u>\$8,318</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, 2013*

	<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	\$493,000	\$493,000	\$480,049	(\$12,951)
Interest	3,500	3,500	1,537	(1,963)
Other	100	100	528	428
<i>Total Revenues</i>	<u>496,600</u>	<u>496,600</u>	<u>482,114</u>	<u>(14,486)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	218,840	224,864	206,157	18,707
Capital Outlay	7,000	7,000	5,833	1,167
Other	472,240	472,240	383,001	89,239
<i>Total Expenditures</i>	<u>698,080</u>	<u>704,104</u>	<u>594,991</u>	<u>109,113</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(201,480)</u>	<u>(207,504)</u>	<u>(112,877)</u>	<u>94,627</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	3,500	3,500	1,222	(2,278)
Transfers In	150,000	150,000	137,500	(12,500)
<i>Total Other Financing Sources</i>	<u>153,500</u>	<u>153,500</u>	<u>138,722</u>	<u>(14,778)</u>
<i>Net Change in Fund Balance</i>	(47,980)	(54,004)	25,845	79,849
<i>Fund Balance Beginning of Year</i>	613,989	613,989	613,989	0
Prior Year Encumbrances Appropriated	1,139	1,139	1,139	0
<i>Fund Balance End of Year</i>	<u>\$567,148</u>	<u>\$561,124</u>	<u>\$640,973</u>	<u>\$79,849</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, 2013*

	<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	\$0	\$13,205	\$14,520	\$1,315
Interest	<u>0</u>	<u>0</u>	<u>13</u>	<u>13</u>
<i>Total Revenues</i>	<u>0</u>	<u>13,205</u>	<u>14,533</u>	<u>1,328</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	0	2,515	0	2,515
Other	<u>0</u>	<u>3,856</u>	<u>3,856</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>6,371</u>	<u>3,856</u>	<u>2,515</u>
<i>Net Change in Fund Balance</i>	0	6,834	10,677	3,843
<i>Fund Balance Beginning of Year</i>	<u>3,730</u>	<u>3,730</u>	<u>3,730</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,730</u></u>	<u><u>\$10,564</u></u>	<u><u>\$14,407</u></u>	<u><u>\$3,843</u></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, 2013*

	<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	\$86,000	\$86,000	\$84,581	(\$1,419)
Interest	1,000	1,000	197	(803)
<i>Total Revenues</i>	87,000	87,000	84,778	(2,222)
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	87,000	87,000	87,000	0
<i>Net Change in Fund Balance</i>	0	0	(2,222)	(2,222)
<i>Fund Balance Beginning of Year</i>	101,847	101,847	101,847	0
<i>Fund Balance End of Year</i>	<u>\$101,847</u>	<u>\$101,847</u>	<u>\$99,625</u>	<u>(\$2,222)</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$650	\$650	\$650	\$0
Intergovernmental	148,419	148,419	145,739	(2,680)
Contributions and Donations	48,747	48,747	60,297	11,550
<i>Total Revenues</i>	<u>197,816</u>	<u>197,816</u>	<u>206,686</u>	<u>8,870</u>
<b>Expenditures</b>				
Current:				
General Government:				
NOPEC Energy Grant				
Capital Outlay	88,466	88,466	7,844	80,622
Security of Persons and Property:				
Police:				
Homeland Security Police Department:				
Personal Services	9,874	9,874	7,850	2,024
Other	18,019	18,019	11,163	6,856
Total Homeland Security Police Department	<u>27,893</u>	<u>27,893</u>	<u>19,013</u>	<u>8,880</u>
Community Diversion:				
Personal Services	4,200	4,200	4,200	0
Other	1,370	1,370	317	1,053
Total Community Diversion	<u>5,570</u>	<u>5,570</u>	<u>4,517</u>	<u>1,053</u>
Violence Against Women:				
Personal Services	29,375	29,375	29,375	0
Other	1,473	1,473	1,473	0
Total Violence Against Women	<u>\$30,848</u>	<u>\$30,848</u>	<u>\$30,848</u>	<u>\$0</u>

(continued)

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grants Fund (continued)*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
DARE Enforcement:				
Personal Services	\$7,740	\$7,740	\$836	\$6,904
Other	2,644	2,644	2,544	100
Total DARE Enforcement	10,384	10,384	3,380	7,004
Total Police	74,695	74,695	57,758	16,937
Fire:				
Fire Department:				
Other	35,081	35,081	27,874	7,207
Total Security of Persons and Property	109,776	109,776	85,632	24,144
Leisure Time Activities:				
Soccer Donations				
Other	3,754	3,754	0	3,754
Food Bank - Recreation:				
Other	25,979	25,979	13,294	12,685
Cuyahoga Arts Council				
Other	503	503	503	0
Total Leisure Time Activities	30,236	30,236	13,797	16,439
Transportation:				
Service Department Recycling Grant				
Personal Services	27,307	27,307	27,307	0
Other	5,000	5,000	5,000	0
Total Transportation	32,307	32,307	32,307	0
<i>Total Expenditures</i>	260,785	260,785	139,580	121,205
<i>Excess of Revenues Over (Under) Expenditures</i>	(62,969)	(62,969)	67,106	130,075
<b>Other Financing Sources</b>				
Transfers In	15,000	15,000	13,750	(1,250)
<i>Net Change in Fund Balance</i>	(47,969)	(47,969)	80,856	128,825
<i>Fund Balance Beginning of Year</i>	72,545	72,545	72,545	0
<i>Fund Balance End of Year</i>	\$24,576	\$24,576	\$153,401	\$128,825

**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, 2013*

	<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	\$180,000	\$180,000	\$151,864	(\$28,136)
Interest	4,500	4,500	672	(3,828)
<i>Total Revenues</i>	<u>184,500</u>	<u>184,500</u>	<u>152,536</u>	<u>(31,964)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Municipal Court Special Programs:				
Capital Outlay	15,000	22,000	6,947	15,053
Other	2,500	30,500	29,196	1,304
<i>Total Expenditures</i>	<u>17,500</u>	<u>52,500</u>	<u>36,143</u>	<u>16,357</u>
<i>Excess of Revenues Over Expenditures</i>	167,000	132,000	116,393	(15,607)
<b>Other Financing Uses</b>				
Transfers Out	(699,788)	(699,788)	(699,788)	0
<i>Net Change in Fund Balance</i>	(532,788)	(567,788)	(583,395)	(15,607)
<i>Fund Balance Beginning of Year</i>	<u>811,503</u>	<u>811,503</u>	<u>811,503</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$278,715</u>	<u>\$243,715</u>	<u>\$228,108</u>	<u>(\$15,607)</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Housing and Urban Development Rehabilitation Program Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Development:				
HUD Housing Rehabilitation:				
Capital Outlay	<u>52,501</u>	<u>52,501</u>	<u>37,503</u>	<u>14,998</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(52,501)</u>	<u>(52,501)</u>	<u>(37,503)</u>	<u>14,998</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	72,000	72,000	72,000	0
Advances Out	<u>(56,927)</u>	<u>(56,927)</u>	<u>(56,927)</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>15,073</u>	<u>15,073</u>	<u>15,073</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(37,428)	(37,428)	(22,430)	14,998
<i>Fund Balance Beginning of Year</i>	<u>37,428</u>	<u>37,428</u>	<u>37,428</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$14,998</u></u>	<u><u>\$14,998</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Interlock and Monitoring Fund*  
*For the Year Ended December 31, 2013*

	<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	\$14,000	\$14,000	\$22,147	\$8,147
Interest	100	100	132	32
<i>Total Revenues</i>	14,100	14,100	22,279	8,179
<b>Expenditures</b>				
Current:				
General Government:				
Indigent Interlock and Monitoring:				
Other	15,000	15,000	2,420	12,580
<i>Net Change in Fund Balance</i>	(900)	(900)	19,859	20,759
<i>Fund Balance Beginning of Year</i>	45,606	45,606	45,606	0
<i>Fund Balance End of Year</i>	<u>\$44,706</u>	<u>\$44,706</u>	<u>\$65,465</u>	<u>\$20,759</u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Donations Fund*  
*For the Year Ended December 31, 2013*

	<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	\$100	\$100	\$97	(\$3)
Other	100	100	50	(50)
<i>Total Revenues</i>	200	200	147	(53)
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery:				
Other	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(800)	(800)	147	947
<i>Fund Balance Beginning of Year</i>	43,292	43,292	43,292	0
<i>Fund Balance End of Year</i>	<u>\$42,492</u>	<u>\$42,492</u>	<u>\$43,439</u>	<u>\$947</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bedford Municipal Court Legal Research Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$20,000	\$20,000	\$15,207	(\$4,793)
<b>Expenditures</b>				
Current:				
General Government:				
Municipal Court Special Programs:				
Personal Services	20,000	20,000	0	20,000
<i>Net Change in Fund Balance</i>	0	0	15,207	15,207
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$15,207	\$15,207

**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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, Licenses and Permits	\$8,500	\$8,500	\$6,500	(\$2,000)
Interest	700	700	157	(543)
<i>Total Revenues</i>	<u>9,200</u>	<u>9,200</u>	<u>6,657</u>	<u>(2,543)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	93,245	97,257	97,091	166
Other	201,285	241,015	227,360	13,655
<i>Total Expenditures</i>	<u>294,530</u>	<u>338,272</u>	<u>324,451</u>	<u>13,821</u>
<i>Excess of Revenues Under Expenditures</i>	(285,330)	(329,072)	(317,794)	11,278
<b>Other Financing Sources</b>				
Transfers In	282,000	282,000	270,500	(11,500)
<i>Net Change in Fund Balance</i>	(3,330)	(47,072)	(47,294)	(222)
<i>Fund Balance Beginning of Year</i>	<u>66,071</u>	<u>66,071</u>	<u>66,071</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$62,741</u>	<u>\$18,999</u>	<u>\$18,777</u>	<u>(\$222)</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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$38,750	\$38,750	\$47,408	\$8,658
Interest	700	700	180	(520)
Other	150	150	775	625
<i>Total Revenues</i>	<u>39,600</u>	<u>39,600</u>	<u>48,363</u>	<u>8,763</u>
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	98,280	105,292	105,167	125
Other	25,700	25,700	14,070	11,630
<i>Total Expenditures</i>	<u>123,980</u>	<u>130,992</u>	<u>119,237</u>	<u>11,755</u>
<i>Excess of Revenues Under Expenditures</i>	(84,380)	(91,392)	(70,874)	20,518
<b>Other Financing Sources</b>				
Transfers In	87,000	87,000	79,750	(7,250)
<i>Net Change in Fund Balance</i>	2,620	(4,392)	8,876	13,268
<i>Fund Balance Beginning of Year</i>	<u>73,296</u>	<u>73,296</u>	<u>73,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$75,916</u>	<u>\$68,904</u>	<u>\$82,172</u>	<u>\$13,268</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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$130,050	\$130,050	\$126,196	(\$3,854)
Interest	2,000	2,000	624	(1,376)
Other	200	200	312	112
<i>Total Revenues</i>	<u>132,250</u>	<u>132,250</u>	<u>127,132</u>	<u>(5,118)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	251,810	277,075	224,478	52,597
Other	173,950	168,947	134,975	33,972
Total Playgrounds	<u>425,760</u>	<u>446,022</u>	<u>359,453</u>	<u>86,569</u>
Swimming Pool:				
Personal Services	170,230	170,230	140,298	29,932
Other	54,050	54,050	42,016	12,034
Total Swimming Pool	<u>224,280</u>	<u>224,280</u>	<u>182,314</u>	<u>41,966</u>
Ellenwood Center:				
Personal Services	467,130	485,202	444,126	41,076
Capital Outlay	13,000	13,000	1,271	11,729
Other	112,575	112,575	91,275	21,300
Total Ellenwood Center	<u>592,705</u>	<u>610,777</u>	<u>536,672</u>	<u>74,105</u>
<i>Total Expenditures</i>	<u>1,242,745</u>	<u>1,281,079</u>	<u>1,078,439</u>	<u>202,640</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,110,495)</u>	<u>(1,148,829)</u>	<u>(951,307)</u>	<u>197,522</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	2,500	2,500	0	(2,500)
Transfers In	1,041,000	1,041,000	954,250	(86,750)
<i>Total Other Financing Sources</i>	<u>1,043,500</u>	<u>1,043,500</u>	<u>954,250</u>	<u>(89,250)</u>
<i>Net Change in Fund Balance</i>	(66,995)	(105,329)	2,943	108,272
<i>Fund Balance Beginning of Year</i>	198,732	198,732	198,732	0
Prior Year Encumbrances Appropriated	1,790	1,790	1,790	0
<i>Fund Balance End of Year</i>	<u>\$133,527</u>	<u>\$95,193</u>	<u>\$203,465</u>	<u>\$108,272</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, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$233,568	\$233,568	\$217,615	(\$15,953)
Municipal Income Taxes	707,535	707,535	710,925	3,390
Intergovernmental	24,605	24,605	23,040	(1,565)
Interest	2,500	2,500	1,262	(1,238)
Other	6,661	6,661	13,436	6,775
<i>Total Revenues</i>	<u>974,869</u>	<u>974,869</u>	<u>966,278</u>	<u>(8,591)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	772,006	772,006	772,006	0
Interest and Fiscal Charges	365,684	365,684	365,684	0
Bond Issuance Costs	67,270	67,270	67,270	0
<i>Total Expenditures</i>	<u>1,204,960</u>	<u>1,204,960</u>	<u>1,204,960</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(230,091)</u>	<u>(230,091)</u>	<u>(238,682)</u>	<u>(8,591)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	839,300	839,300	839,300	0
Premium on Bonds Issued	33,865	33,865	33,866	1
Payment to Refunded Bond Escrow Agent	(1,346,967)	(1,346,967)	(1,346,967)	0
Transfers In	740,515	740,515	738,110	(2,405)
<i>Total Other Financing Sources (Uses)</i>	<u>266,713</u>	<u>266,713</u>	<u>264,309</u>	<u>(2,404)</u>
<i>Net Change in Fund Balance</i>	36,622	36,622	25,627	(10,995)
<i>Fund Balance Beginning of Year</i>	<u>112,729</u>	<u>112,729</u>	<u>112,729</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$149,351</u>	<u>\$149,351</u>	<u>\$138,356</u>	<u>(\$10,995)</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2013*

	<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	\$65,370	\$65,370	\$70,446	\$5,076
Interest	650	650	214	(436)
<i>Total Revenues</i>	<u>66,020</u>	<u>66,020</u>	<u>70,660</u>	<u>4,640</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	55,000	55,000	55,000	0
Interest and Fiscal Charges	10,370	10,370	10,370	0
<i>Total Expenditures</i>	<u>65,370</u>	<u>65,370</u>	<u>65,370</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	650	650	5,290	4,640
<i>Fund Balance Beginning of Year</i>	<u>69,713</u>	<u>69,713</u>	<u>69,713</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,363</u></u>	<u><u>\$70,363</u></u>	<u><u>\$75,003</u></u>	<u><u>\$4,640</u></u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Computer Fund*  
*For the Year Ended December 31, 2013*

	<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	\$77,000	\$77,000	\$67,921	(\$9,079)
Interest	2,000	2,000	274	(1,726)
Other	<u>5,000</u>	<u>5,000</u>	<u>6,891</u>	<u>1,891</u>
<i>Total Revenues</i>	84,000	84,000	75,086	(8,914)
<b>Expenditures</b>				
Capital Outlay:				
Municipal Court Computer:				
Other	<u>145,000</u>	<u>152,000</u>	<u>103,255</u>	<u>48,745</u>
<i>Net Change in Fund Balance</i>	(61,000)	(68,000)	(28,169)	39,831
<i>Fund Balance Beginning of Year</i>	<u>142,554</u>	<u>142,554</u>	<u>142,554</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81,554</u></u>	<u><u>\$74,554</u></u>	<u><u>\$114,385</u></u>	<u><u>\$39,831</u></u>



**City of Bedford, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$0	(\$5,000)
Interest	1,000	1,000	2,938	1,938
<i>Total Revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>2,938</u>	<u>(3,062)</u>
<b>Expenditures</b>				
Capital Outlay	1,629,065	1,593,076	1,292,851	300,225
Debt Service:				
Issuance Costs	(32,600)	(32,600)	0	32,600
Total Expenditures	<u>1,596,465</u>	<u>1,560,476</u>	<u>1,292,851</u>	<u>332,825</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,590,465)</u>	<u>(1,554,476)</u>	<u>(1,289,913)</u>	<u>264,563</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	25,000	25,000	25,000	0
Proceeds of General Obligation Bonds	1,475,000	1,475,000	1,475,000	0
Premium on Bonds Issued	32,711	32,711	32,711	0
<i>Total Other Financing Sources</i>	<u>1,532,711</u>	<u>1,532,711</u>	<u>1,532,711</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(57,754)	(21,765)	242,798	264,563
<i>Fund Balance Beginning of Year</i>	407,367	407,367	407,367	0
Prior Year Encumbrances Appropriated	4,065	4,065	4,065	0
<i>Fund Balance End of Year</i>	<u>\$353,678</u>	<u>\$389,667</u>	<u>\$654,230</u>	<u>\$264,563</u>

**City of Bedford, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Health Insurance Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,448,920	\$2,948,920	\$2,973,206	\$24,286
Interest	1,000	1,000	385	(615)
Other	26,000	26,000	34,696	8,696
<i>Total Revenues</i>	<u>2,475,920</u>	<u>2,975,920</u>	<u>3,008,287</u>	<u>32,367</u>
<b>Expenses</b>				
Contractual Services	351,000	339,609	335,301	4,308
Claims	2,121,920	2,683,311	2,683,311	0
<i>Total Expenses</i>	<u>2,472,920</u>	<u>3,022,920</u>	<u>3,018,612</u>	<u>4,308</u>
<i>Net Change in Fund Equity</i>	3,000	(47,000)	(10,325)	36,675
<i>Fund Equity Beginning of Year</i>	<u>303,302</u>	<u>303,302</u>	<u>303,302</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$306,302</u></u>	<u><u>\$256,302</u></u>	<u><u>\$292,977</u></u>	<u><u>\$36,675</u></u>

## Statistical Section

This part of the City of Bedford, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S13</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S14 – S21</i></b>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S22 – S29</i></b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S30 – S33</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S34 – S51</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	2013	2012	2011	2010
<b>Governmental Activities</b>				
Net Investment in				
Capital Assets	\$18,337,265	\$19,668,123	\$20,968,797	\$22,729,591
Restricted:				
Capital Projects	119,889	147,188	241,731	0
Debt Service	449,033	509,480	513,704	533,106
Municipal Courts	254,776	830,873	774,291	746,043
Fire	0	0	0	0
Streets	1,215,660	1,115,228	1,227,043	1,125,705
Community Development	715,120	737,303	627,065	535,619
Street Lighting	504,173	550,136	555,255	585,951
Drug Force Violations	162,132	331,639	409,517	192,207
Other Purposes	512,440	393,617	301,073	428,972
Unrestricted	<u>12,257,378</u>	<u>11,095,401</u>	<u>12,312,481</u>	<u>10,878,025</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>34,527,866</u>	<u>35,378,988</u>	<u>37,930,957</u>	<u>37,755,219</u>
<b>Business Type - Activities</b>				
Net Investment in				
Capital Assets	5,177,762	7,732,350	5,917,802	4,122,051
Unrestricted	<u>10,379,492</u>	<u>6,215,323</u>	<u>5,976,224</u>	<u>6,382,757</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>15,557,254</u>	<u>13,947,673</u>	<u>11,894,026</u>	<u>10,504,808</u>
<b>Primary Government</b>				
Net Investment in				
Capital Assets	23,515,027	27,400,473	26,886,599	26,851,642
Restricted	3,933,223	4,615,464	4,649,679	4,147,603
Unrestricted	<u>22,636,870</u>	<u>17,310,724</u>	<u>18,288,705</u>	<u>17,260,782</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$50,085,120</u>	<u>\$49,326,661</u>	<u>\$49,824,983</u>	<u>\$48,260,027</u>

2009	2008	2007	2006	2005	2004
\$24,376,061	\$25,879,539	\$27,216,162	\$27,242,739	\$29,561,437	\$29,950,309
410,909	952,794	974,982	1,171,756	1,356,429	1,719,410
624,790	933,485	1,181,876	1,321,616	1,143,792	1,247,181
714,104	698,237	0	0	0	0
0	161,449	134,774	522,030	423,999	362,312
1,098,471	1,441,636	1,493,516	1,162,070	1,294,088	1,371,972
201,776	366,176	0	0	0	0
647,086	621,919	0	0	0	0
0	0	0	0	0	0
459,359	720,655	2,524,936	1,746,159	701,410	1,317,826
9,786,893	10,695,092	11,350,256	11,720,851	10,220,472	8,236,154
38,319,449	42,470,982	44,876,502	44,887,221	44,701,627	44,205,164
5,780,208	5,058,014	4,527,360	3,285,261	2,842,724	2,638,318
4,343,937	4,420,694	3,766,979	4,145,274	4,335,387	3,961,305
10,124,145	9,478,708	8,294,339	7,430,535	7,178,111	6,599,623
30,156,269	30,937,553	31,743,522	30,528,000	32,404,161	32,588,627
4,156,495	5,896,351	6,310,084	5,923,631	4,919,718	6,018,701
14,130,830	15,115,786	15,117,235	15,866,125	14,555,859	12,197,459
\$48,443,594	\$51,949,690	\$53,170,841	\$52,317,756	\$51,879,738	\$50,804,787

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

	2013	2012	2011	2010
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$2,022,787	\$2,082,652	\$2,083,696	\$1,858,638
Security of Persons and Property:				
Police	80,900	64,368	64,974	60,445
Fire	442,342	429,512	434,885	380,753
Public Health and Welfare	16,179	14,211	14,892	42,651
Leisure Time Activities	128,060	128,611	153,829	119,801
Community Development	342,753	329,643	334,687	272,543
Basic Utility Services	286,690	310,771	289,719	292,043
Subtotal - Charges for Services	<u>3,319,711</u>	<u>3,359,768</u>	<u>3,376,682</u>	<u>3,026,874</u>
Operating Grants and Contributions:				
General Government	567,338	445,252	585,887	475,317
Security of Persons and Property:				
Police	611,749	565,729	430,038	891,928
Fire	258,393	355,615	397,242	423,286
Public Health and Welfare	19,968	88,825	25,779	34,725
Leisure Time Activities	19,950	13,128	4,325	14,635
Community Development	109,365	212,341	133,616	853,331
Basic Utility Services	0	0	0	5,898
Transportation	658,948	625,168	594,471	618,478
Subtotal - Operating Grants and Contributions	<u>2,245,711</u>	<u>2,306,058</u>	<u>2,171,358</u>	<u>3,317,598</u>
Capital Grants and Contributions:				
Transportation	0	5,000	97,583	24,856
<i>Total Governmental Activities Program Revenues</i>	<u>5,565,422</u>	<u>5,670,826</u>	<u>5,645,623</u>	<u>6,369,328</u>
Business-Type Activities:				
Charges for Services:				
Water	4,800,197	4,532,355	4,417,995	4,354,170
Wastewater	2,467,029	2,386,595	2,233,413	2,196,959
Capital Grants and Contributions				
Water	0	0	428,182	0
Wastewater	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>7,267,226</u>	<u>6,918,950</u>	<u>7,079,590</u>	<u>6,551,129</u>
<i>Total Primary Government Program Revenues</i>	<u>\$12,832,648</u>	<u>\$12,589,776</u>	<u>\$12,725,213</u>	<u>\$12,920,457</u>

2009	2008	2007	2006	2005	2004
\$1,934,236	\$2,226,427	\$2,205,689	\$1,797,782	\$1,687,566	\$1,935,330
65,680	32,779	53,907	57,998	56,734	35,648
397,435	311,809	257,282	160,839	293,200	106,118
45,060	39,230	40,510	43,580	43,443	66,437
126,569	112,805	96,845	87,771	95,355	75,441
284,584	339,374	278,011	151,920	136,304	18,569
334,195	323,511	291,969	292,023	229,705	394,613
<u>3,187,759</u>	<u>3,385,935</u>	<u>3,224,213</u>	<u>2,591,913</u>	<u>2,542,307</u>	<u>2,632,156</u>
501,895	441,910	427,621	0	0	2,245
478,920	362,903	362,556	283,602	140,902	166,920
221,427	409,838	25,100	8,413	3,724	97,744
23,293	13,399	14,102	10,680	15,066	19,818
7,500	0	0	12,370	27,865	2,065
113,029	101,163	114,687	167,843	373,911	257,363
0	0	0	274	6,008	4,148
620,287	668,247	661,345	667,025	626,063	555,554
<u>1,966,351</u>	<u>1,997,460</u>	<u>1,605,411</u>	<u>1,150,207</u>	<u>1,193,539</u>	<u>1,105,857</u>
392	227,431	307,611	431,974	425,995	383,865
<u>5,154,502</u>	<u>5,610,826</u>	<u>5,137,235</u>	<u>4,174,094</u>	<u>4,161,841</u>	<u>4,121,878</u>
4,020,958	3,729,987	3,521,515	3,237,446	3,395,893	3,199,611
2,116,968	2,091,081	2,058,390	1,943,800	2,154,552	2,073,569
0	0	331,940	0	0	0
0	7,766	222,469	32,508	8,646	714,635
<u>6,137,926</u>	<u>5,828,834</u>	<u>6,134,314</u>	<u>5,213,754</u>	<u>5,559,091</u>	<u>5,987,815</u>
<u>\$11,292,428</u>	<u>\$11,439,660</u>	<u>\$11,271,549</u>	<u>\$9,387,848</u>	<u>\$9,720,932</u>	<u>\$10,109,693</u>

(continued)

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

	2013	2012	2011	2010
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,922,271	\$5,451,587	\$5,091,308	\$4,908,785
Security of Persons and Property:				
Police	5,560,147	5,660,332	5,290,725	5,247,617
Fire	3,976,171	4,106,403	3,779,111	3,755,520
Public Health and Welfare	176,774	180,994	194,643	177,865
Leisure Time Activities	1,316,269	1,343,654	1,324,108	1,391,675
Community Development	753,096	746,201	843,855	949,599
Basic Utility Services	1,036,719	1,015,825	1,010,797	1,054,778
Transportation	4,343,828	4,363,978	4,303,602	4,685,770
Interest and Fiscal Charges	379,698	735,190	560,422	509,591
<i>Total Governmental Activities Expenses</i>	<u>22,464,973</u>	<u>23,604,164</u>	<u>22,398,571</u>	<u>22,681,200</u>
Business-Type Activities				
Water	3,853,350	3,234,955	4,131,949	4,515,808
Wastewater	2,175,580	2,040,179	1,958,932	2,051,038
<i>Total Business-Type Activities Expenses</i>	<u>6,028,930</u>	<u>5,275,134</u>	<u>6,090,881</u>	<u>6,566,846</u>
<i>Total Primary Government Program Expenses</i>	<u>28,493,903</u>	<u>28,879,298</u>	<u>28,489,452</u>	<u>29,248,046</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(16,899,551)	(17,933,338)	(16,752,948)	(16,311,872)
Business-Type Activities	1,238,296	1,643,816	988,709	(15,717)
<i>Total Primary Government Net Expense</i>	<u>(\$15,661,255)</u>	<u>(\$16,289,522)</u>	<u>(\$15,764,239)</u>	<u>(\$16,327,589)</u>



2009	2008	2007	2006	2005	2004
\$4,928,374	\$5,323,310	\$5,106,413	\$4,871,530	\$4,513,961	\$4,843,345
5,359,101	5,446,671	5,452,247	4,847,966	4,696,595	4,719,423
3,598,515	4,097,079	3,620,839	3,338,007	3,264,023	3,391,320
166,753	221,252	193,518	164,391	165,278	209,642
1,386,520	1,503,009	1,609,539	1,615,332	1,515,957	1,394,766
912,620	729,553	633,811	1,042,659	711,271	976,913
1,046,474	1,027,983	888,600	850,077	746,633	763,373
4,447,747	4,786,782	4,221,135	4,727,888	4,815,778	4,263,114
566,322	592,927	615,603	469,373	610,370	605,446
22,412,426	23,728,566	22,341,705	21,927,223	21,039,866	21,167,342
3,854,565	3,231,458	3,472,856	3,155,757	3,277,619	3,171,606
2,024,262	1,880,937	2,347,908	2,326,613	2,249,871	2,278,779
5,878,827	5,112,395	5,820,764	5,482,370	5,527,490	5,450,385
28,291,253	28,840,961	28,162,469	27,409,593	26,567,356	26,617,727
(17,257,924)	(18,117,740)	(17,204,470)	(17,753,129)	(16,878,025)	(17,045,464)
259,099	716,439	313,550	(268,616)	31,601	537,430
<u>(\$16,998,825)</u>	<u>(\$17,401,301)</u>	<u>(\$16,890,920)</u>	<u>(\$18,021,745)</u>	<u>(\$16,846,424)</u>	<u>(\$16,508,034)</u>

(continued)

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

	2013	2012	2011	2010
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property and Taxes Levied For:				
General Purposes	\$1,831,056	\$1,898,877	\$2,263,682	\$2,306,766
Debt Service	201,493	225,894	32,714	0
Public Safety	2,657,842	2,778,562	3,003,234	3,016,795
Municipal Income Taxes levied for:				
General Purposes	9,668,374	8,904,771	9,277,242	8,145,582
Debt Service	710,925	720,216	680,703	657,234
Capital Outlay	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	675,467	632,800	1,131,551	1,406,412
Investment Income	26,397	20,824	108,763	37,698
Gain on Sale of Capital Assets	5,645	32,484	17,041	4,957
Miscellaneous	271,230	166,941	413,756	172,198
<i>Total Governmental Activities</i>	<u>16,048,429</u>	<u>15,381,369</u>	<u>16,928,686</u>	<u>15,747,642</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Wastewater	304,759	309,255	291,679	276,601
Investment Income	49,334	67,547	81,581	31,346
Gain on Sale of Capital Assets	1,074	0	0	21,696
Miscellaneous	16,118	33,029	27,249	66,737
<i>Total Business-Type Activities</i>	<u>371,285</u>	<u>409,831</u>	<u>400,509</u>	<u>396,380</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>16,419,714</u>	<u>15,791,200</u>	<u>17,329,195</u>	<u>16,144,022</u>
<b>Change in Net Position</b>				
Governmental Activities	(851,122)	(2,551,969)	175,738	(564,230)
Business-Type Activities	1,609,581	2,053,647	1,389,218	380,663
<i>Total Primary Government Change in Net Position</i>	<u>\$758,459</u>	<u>(\$498,322)</u>	<u>\$1,564,956</u>	<u>(\$183,567)</u>

2009	2008	2007	2006	2005	2004
\$2,340,611	\$2,436,161	\$2,648,487	\$2,435,575	\$2,548,372	\$2,499,866
0	0	0	0	0	0
943,569	880,740	957,466	880,516	885,180	903,784
7,616,052	9,098,927	9,852,161	10,834,317	10,625,798	8,661,875
626,789	680,711	769,619	870,902	653,673	0
0	0	0	0	0	588,120
950,510	1,852,030	1,735,202	1,940,740	1,925,920	1,743,683
172,163	411,024	750,070	648,078	255,900	150,677
145,395	114,650	38,742	27,503	80,398	1,900
311,302	237,977	442,004	301,092	399,247	319,839
13,106,391	15,712,220	17,193,751	17,938,723	17,374,488	14,869,744
250,344	291,734	329,833	373,551	435,782	392,079
90,936	145,854	189,673	140,178	87,679	47,286
0	0	0	3,903	0	0
45,058	30,342	30,748	3,408	23,426	6,074
386,338	467,930	550,254	521,040	546,887	445,439
13,492,729	16,180,150	17,744,005	18,459,763	17,921,375	15,315,183
(4,151,533)	(2,405,520)	(10,719)	185,594	496,463	(2,175,720)
645,437	1,184,369	863,804	252,424	578,488	982,869
(\$3,506,096)	(\$1,221,151)	\$853,085	\$438,018	\$1,074,951	(\$1,192,851)

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

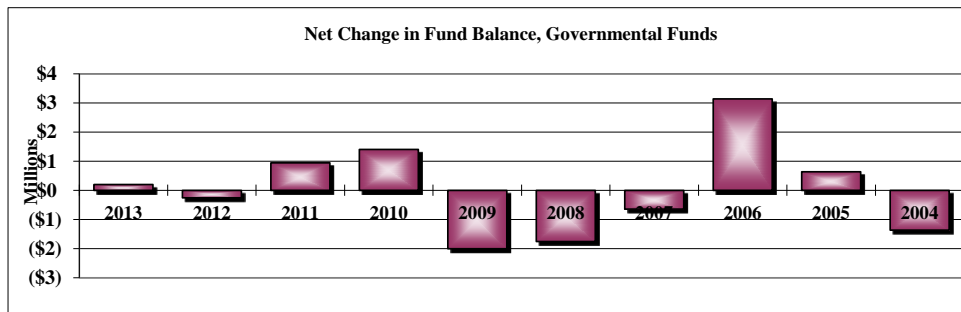
	2013	2012	2011	2010
General Fund				
Nonspendable	\$219,643	\$180,077	\$201,231	\$140,994
Committed	198,997	24,374	16,033	12,216
Assigned	306,154	74,306	61,663	45,607
Unassigned	10,194,477	10,193,528	10,019,811	8,974,991
Reserved	0	0	0	0
Unreserved	0	0	0	0
<i>Total General Fund</i>	<u>10,919,271</u>	<u>10,472,285</u>	<u>10,298,738</u>	<u>9,173,808</u>
All Other Governmental Funds				
Nonspendable	7,623	7,623	7,583	98,803
Restricted	3,390,016	3,834,556	3,979,152	3,729,801
Committed	15,091	79,064	311,465	80,540
Assigned	411,139	96,367	145,418	690,032
Unassigned (Deficit)	(74,710)	(23,847)	(22,443)	0
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>3,749,159</u>	<u>3,993,763</u>	<u>4,421,175</u>	<u>4,599,176</u>
<i>Total Governmental Funds</i>	<u><u>\$14,668,430</u></u>	<u><u>\$14,466,048</u></u>	<u><u>\$14,719,913</u></u>	<u><u>\$13,772,984</u></u>

Note: The City implemented GASB 54 in 2009.

2009	2008	2007	2006	2005	2004
\$166,953	\$205,924	\$0	\$0	\$0	\$0
517	0	0	0	0	0
66,615	614,578	0	0	0	0
8,431,130	9,627,764	0	0	0	0
0	0	78,845	123,858	125,743	183,862
0	0	10,313,325	10,708,438	9,341,622	7,780,251
8,665,215	10,448,266	10,392,170	10,832,296	9,467,365	7,964,113
127,351	49,844	0	0	0	0
3,268,902	3,434,707	0	0	0	0
6,158	0	0	0	0	0
297,817	437,035	0	0	0	0
0	0	0	0	0	0
0	0	836,062	1,713,841	1,070,584	1,118,261
0	0	3,398,068	2,536,991	1,706,315	1,982,268
0	0	443,234	536,692	238,235	240,837
0	0	823,158	915,568	908,542	1,445,177
3,700,228	3,921,586	5,500,522	5,703,092	3,923,676	4,786,543
\$12,365,443	\$14,369,852	\$15,892,692	\$16,535,388	\$13,391,041	\$12,750,656

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

	2013	2012	2011	2010
<b>Revenues</b>				
Property Taxes	\$4,723,597	\$5,079,292	\$5,136,936	\$5,174,321
Municipal Income Taxes	9,905,568	9,928,119	9,671,215	8,819,439
Charges for Services	795,226	646,510	1,024,848	748,132
Fees, Licenses and Permits	243,858	210,796	248,260	211,116
Fines and Forfeitures	1,909,110	1,948,751	1,761,228	1,695,770
Intergovernmental	3,007,667	3,051,857	3,417,329	4,455,400
Special Assessments	392,386	427,208	387,548	416,092
Contributions and Donations	60,297	14,708	48,317	83,320
Interest	26,012	19,645	106,187	33,409
Rentals	98,701	242,940	24,632	24,090
Other	236,534	139,610	389,241	146,708
<i>Total Revenues</i>	<u>21,398,956</u>	<u>21,709,436</u>	<u>22,215,741</u>	<u>21,807,797</u>
<b>Expenditures</b>				
Current:				
General Government	4,651,606	5,033,052	4,638,074	4,432,001
Security of Persons and Property:				
Police	5,452,264	5,471,831	5,303,242	5,081,196
Fire	3,807,815	3,897,559	3,643,979	3,637,500
Public Health and Welfare	177,384	179,563	193,914	175,806
Leisure Time Activities	1,206,358	1,265,328	1,316,961	1,686,229
Community Development	880,795	852,251	859,349	1,255,407
Basic Utilities Services	1,036,719	1,015,825	1,010,797	1,054,778
Transportation	2,325,768	2,425,410	2,390,859	2,200,388
Capital Outlay	1,401,483	473,374	1,230,803	1,841,744
Debt Service:				
Principal Retirement	845,150	899,520	722,062	690,481
Interest and Fiscal Charges	383,517	482,024	526,162	466,198
Bond Issuance Costs	67,270	0	0	55,200
<i>Total Expenditures</i>	<u>22,236,129</u>	<u>21,995,737</u>	<u>21,836,202</u>	<u>22,576,928</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(837,173)</u>	<u>(286,301)</u>	<u>379,539</u>	<u>(769,131)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,645	32,896	49,041	4,387
OPWC Loans Issued	0	0	518,349	0
General Obligation Bonds Issued	2,314,300	0	0	2,145,000
Premium on Bonds Issued	66,577	0	0	23,710
Discount on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	(1,346,967)	0	0	0
Inception of Capital Lease	0	39,540	0	3,575
Transfers In	4,677,313	3,870,767	4,018,869	3,858,052
Transfers Out	(4,677,313)	(3,910,767)	(4,018,869)	(3,858,052)
<i>Total Other Financing Sources (Uses)</i>	<u>1,039,555</u>	<u>32,436</u>	<u>567,390</u>	<u>2,176,672</u>
<i>Net Change in Fund Balances</i>	<u>\$202,382</u>	<u>(\$253,865)</u>	<u>\$946,929</u>	<u>\$1,407,541</u>
Debt Service as a Percentage of Noncapital Expenditures	5.9%	6.5%	6.1%	5.9%



2009	2008	2007	2006	2005	2004
\$3,311,558	\$3,314,450	\$3,570,124	\$3,333,834	\$3,540,788	\$3,349,741
8,528,730	9,401,167	10,648,355	11,769,832	10,833,996	9,472,207
1,029,766	774,816	699,046	592,280	694,247	652,848
162,453	207,702	292,484	186,128	147,565	118,615
1,746,097	1,917,688	1,768,546	1,512,922	1,470,857	1,463,728
2,908,431	3,954,097	3,535,460	3,556,398	3,503,173	3,306,031
425,542	449,480	498,755	399,087	416,712	366,902
40,855	0	45,100	0	0	0
158,561	386,021	723,195	634,911	254,732	148,847
15,480	14,290	20,010	8,563	0	0
348,026	237,977	442,004	301,092	393,507	322,239
<u>18,675,499</u>	<u>20,657,688</u>	<u>22,243,079</u>	<u>22,295,047</u>	<u>21,255,577</u>	<u>19,201,158</u>
4,652,214	4,833,025	4,619,198	4,533,556	4,151,780	4,143,464
5,265,227	5,296,548	5,347,238	4,820,692	4,558,302	4,551,955
3,421,428	3,967,593	3,833,850	3,241,431	3,297,888	3,206,450
161,799	210,749	189,816	165,494	165,551	211,537
1,313,051	1,408,141	1,459,829	1,572,900	1,460,622	1,297,764
911,782	1,728,246	1,034,540	1,043,168	1,876,405	970,143
1,046,474	1,025,646	879,667	839,357	735,683	752,653
2,362,348	2,674,815	2,524,594	2,282,383	2,280,367	2,196,645
534,808	474,873	1,865,496	1,008,659	1,007,907	2,097,823
665,084	652,402	599,739	519,787	513,968	554,109
493,363	519,709	572,980	401,043	584,173	597,783
0	0	0	185,268	0	0
<u>20,827,578</u>	<u>22,791,747</u>	<u>22,926,947</u>	<u>20,613,738</u>	<u>20,632,646</u>	<u>20,580,326</u>
<u>(2,152,079)</u>	<u>(2,134,059)</u>	<u>(683,868)</u>	<u>1,681,309</u>	<u>622,931</u>	<u>(1,379,168)</u>
147,670	336,433	41,172	29,703	80,804	59,100
0	0	0	0	0	0
0	0	0	8,929,000	0	0
0	0	0	60,111	0	0
0	0	0	(54,376)	0	0
0	0	0	(7,501,400)	0	0
0	40,845	0	0	16,650	0
3,554,148	4,701,390	5,874,801	4,847,314	4,551,897	6,810,084
<u>(3,554,148)</u>	<u>(4,701,390)</u>	<u>(5,874,801)</u>	<u>(4,847,314)</u>	<u>(4,631,897)</u>	<u>(6,855,084)</u>
<u>147,670</u>	<u>377,278</u>	<u>41,172</u>	<u>1,463,038</u>	<u>17,454</u>	<u>14,100</u>
<u>(\$2,004,409)</u>	<u>(\$1,756,781)</u>	<u>(\$642,696)</u>	<u>\$3,144,347</u>	<u>\$640,385</u>	<u>(\$1,365,068)</u>
5.8%	5.5%	5.8%	5.7%	5.9%	6.6%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2013	\$128,477,170	\$101,592,750	\$657,342,629	\$8,103,300	\$9,208,295
2012	150,782,510	110,000,870	745,095,371	7,358,540	8,361,977
2011	151,467,810	109,940,100	746,879,743	7,037,960	7,997,682
2010	151,771,630	115,119,760	762,546,829	6,869,490	7,806,239
2009	172,280,760	108,449,470	802,086,371	6,468,910	7,351,034
2008	171,872,930	101,454,280	780,934,886	8,318,020	9,452,295
2007	152,499,920	89,128,130	690,365,857	8,552,600	9,718,864
2006	152,594,310	87,156,280	685,001,686	9,323,120	10,594,455
2005	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2004	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818

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

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

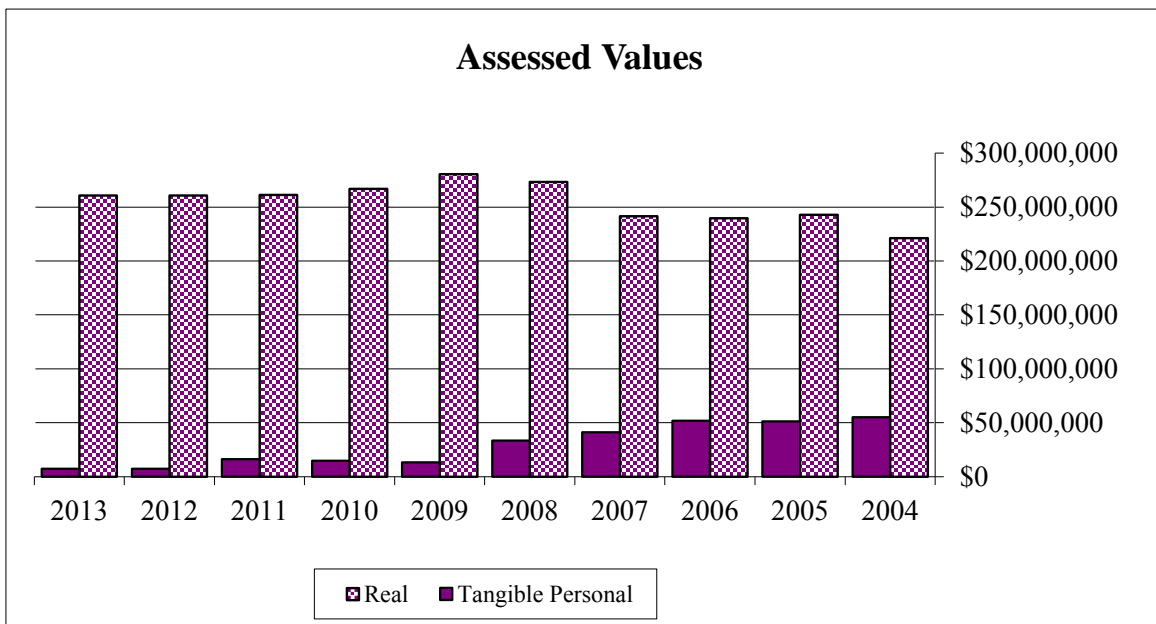
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

Source: Ohio Department of Taxation



**Tangible Personal Property**

General Business		Total		Ratio	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$238,173,220	\$666,550,924	35.73%	\$21.70
0	0	268,141,920	753,457,349	35.59	21.70
0	0	268,445,870	754,877,425	35.56	21.70
0	0	273,760,880	770,353,067	35.54	21.70
6,746,990	107,951,840	293,946,130	917,389,246	32.04	12.80
25,224,143	201,793,144	306,869,373	992,180,325	30.93	12.80
32,629,086	174,021,792	282,809,736	874,106,513	32.35	12.80
42,681,161	185,570,265	291,754,871	881,166,405	33.11	12.80
41,641,465	181,049,848	294,249,915	886,322,708	33.20	12.80
45,552,210	189,800,875	276,354,300	832,745,122	33.19	12.80



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

	2013	2012	2011	2010	2009
<b>Unvoted Millage</b>					
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
<b>Voted Millage - by levy</b>					
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000	2.8000
2009 Charter/Safety Forces Levy	8.9000	8.9000	8.9000	8.9000	0.0000
<i>Total Voted Millage</i>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>	<u>8.9200</u>
<b>Total Millage</b>	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$21.7000</u>	<u>\$12.8000</u>
<b>Overlapping Rates by Taxing District</b>					
Bedford City School District					
Residential/Agricultural Real	\$39.7646	\$40.1211	\$37.5823	\$38.6990	\$38.6966
Commercial/Industrial and Public Utility Real	49.0798	49.2110	47.2052	48.2579	48.1831
General Business and Public Utility Personal	70.8200	71.3000	71.3000	72.5000	72.5000
Cuyahoga County					
Residential/Agricultural Real	14.0500	13.2200	13.1182	13.1866	13.1789
Commercial/Industrial and Public Utility Real	13.9495	12.9968	12.7845	12.8412	12.8457
General Business and Public Utility Personal	14.0500	13.2200	13.2200	13.3200	13.3200
Special Taxing Districts (1)					
Residential/Agricultural Real	8.4639	7.5635	7.5041	7.4900	7.0069
Commercial/Industrial and Public Utility Real	8.3843	7.4621	7.3648	7.3450	6.9119
General Business and Public Utility Personal	8.4800	7.5800	7.5800	7.5800	7.2800

Source: Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, County Library, Community College

2008	2007	2006	2005	2004
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000
0.0000	0.0000	0.0000	0.0000	0.0000
8.9200	8.9200	8.9200	8.9200	8.9200
\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$30.9967	\$31.0146	\$31.0133	\$33.9158	\$33.8874
14.8100	42.9154	43.1055	44.6558	44.6073
67.6000	67.6000	67.6000	67.4000	67.4000

12.6607	11.8689	11.8655	11.7227	10.9754
12.8153	12.4536	12.4941	12.5762	11.9846
13.3200	13.4200	13.4200	13.5200	13.5200

6.6597	5.9676	5.9669	6.2900	6.2880
6.8911	6.2518	6.2727	6.5552	6.5067
7.2800	6.7800	6.7800	6.7800	6.7800

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2013	\$5,366,546	\$5,020,201	93.55%	\$200,460	\$5,220,661
2012	5,832,805	5,353,259	91.78	467,976	5,821,235
2011	5,861,322	5,301,685	90.45	283,869	5,585,554
2010	5,838,928	5,509,756	94.36	185,339	5,695,095
2009	3,695,369	3,465,784	93.79	152,322	3,618,105
2008	3,605,768	3,338,117	92.58	156,286	3,494,403
2007	3,573,911	3,341,562	93.50	180,513	3,522,075
2006	3,209,968	2,981,412	92.88	112,964	3,094,376
2005	3,180,491	3,043,735	95.70	143,694	3,187,429
2004	3,233,136	3,014,061	93.22	44,237	3,058,298

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

Note: The County's current computer system does not track collections by tax year in total. This presentation will be updated as new information becomes available.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
97.28%	\$891,107	16.60%
99.80	818,604	14.03
95.30	908,736	15.50
97.54	670,034	11.48
97.91	435,233	11.78
96.91	443,464	12.30
98.55	366,241	10.25
96.40	304,742	9.49
100.22	220,549	6.93
94.59	327,785	10.14

**City of Bedford, Ohio**  
*Principal Real Property Taxpayers*  
 2013 and 2004

<i>2013</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
Ben Venue Laboratories Incorporated	\$9,462,420	4.11 %
Cleveland Electric Illuminating Company	7,503,500	3.26
Bedford Colony Club Apartments	4,889,220	2.13
Wal-Mart Associates Incorporated	4,605,380	2.00
Bear Creek Property Company	3,795,910	1.65
CSH-ING Woodside Village	3,612,460	1.57
University Hospitals Health Systems	2,550,220	1.11
HIN, LLC	2,275,000	0.99
Tomken, Incorporated	1,938,320	0.84
Brandybrook LLC	1,804,580	0.79
<b>Total</b>	<b>\$42,437,010</b>	<b>18.45 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$230,069,920</b>	

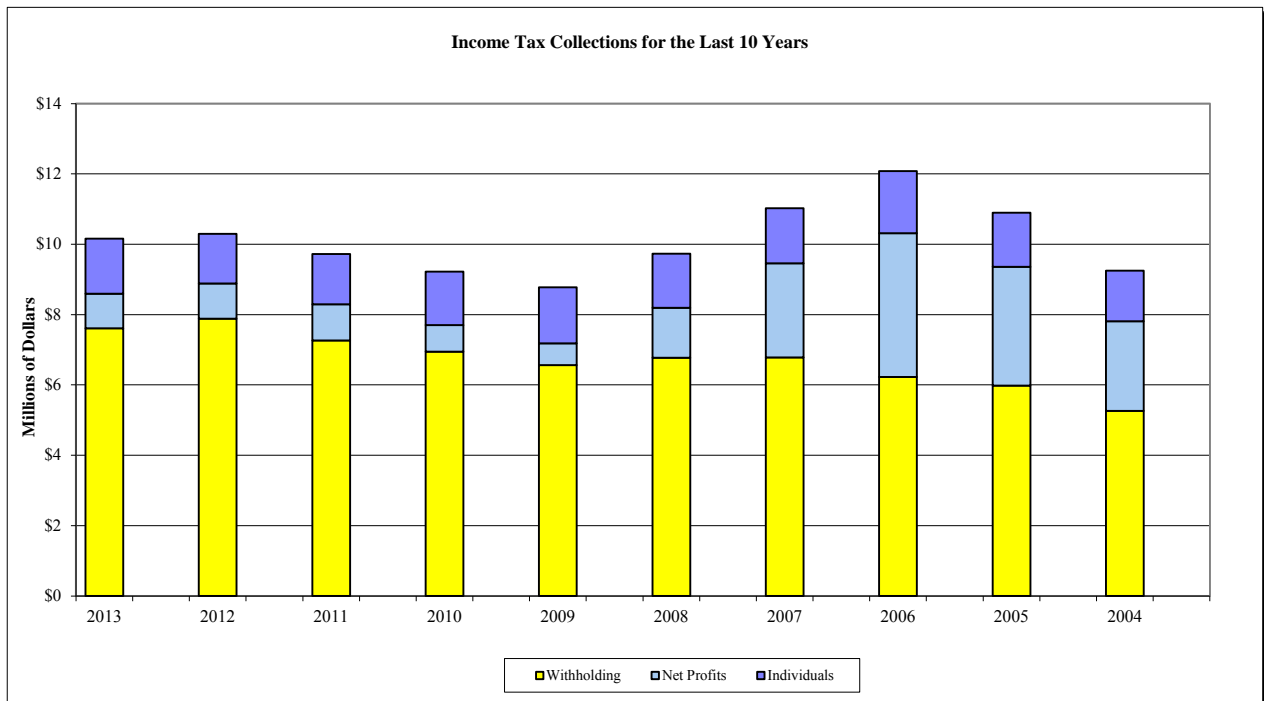
<i>2004</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
Bear Creek Property Company	\$6,814,270	3.08 %
Cleveland Electric Illuminating Company	4,586,890	2.07
Bedford Colony Club Apartments	4,225,420	1.91
Brandybrook LLC	3,964,120	1.79
Aspen Woodside Village LLC	3,199,810	1.45
Ohio Bell Telephone Company	3,159,560	1.43
HIN, LLC	2,746,940	1.24
Ben Venue Laboratories Incorporated	2,409,140	1.09
JBK	2,106,340	0.95
Colony Club Apartments II	1,890,290	0.86
<b>Total</b>	<b>\$35,102,780</b>	<b>15.87 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$221,219,050</b>	

Source: Cuyahoga County Fiscal Officer

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2013	2.25%	\$10,157,319	\$7,613,014	74.95%	\$981,622	9.66%	\$1,562,683	15.39%
2012	2.25	10,294,837	7,885,409	76.60	995,553	9.67	1,413,875	13.73
2011	2.25	9,725,086	7,268,751	74.74	1,020,089	10.49	1,436,246	14.77
2010	2.25	9,222,515	6,948,561	75.34	752,013	8.15	1,521,941	16.51
2009	2.25	8,778,810	6,564,851	74.78	621,519	7.08	1,592,440	18.14
2008	2.25	9,730,084	6,769,942	69.58	1,422,846	14.62	1,537,296	15.80
2007	2.25	11,024,893	6,784,719	61.54	2,672,434	24.24	1,567,740	14.22
2006	2.25	12,078,770	6,229,296	51.57	4,082,128	33.80	1,767,346	14.63
2005	2.25	10,894,777	5,979,699	54.89	3,377,345	31.00	1,537,733	14.11
2004	2.25	9,249,995	5,264,879	56.92	2,547,691	27.54	1,437,425	15.54

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



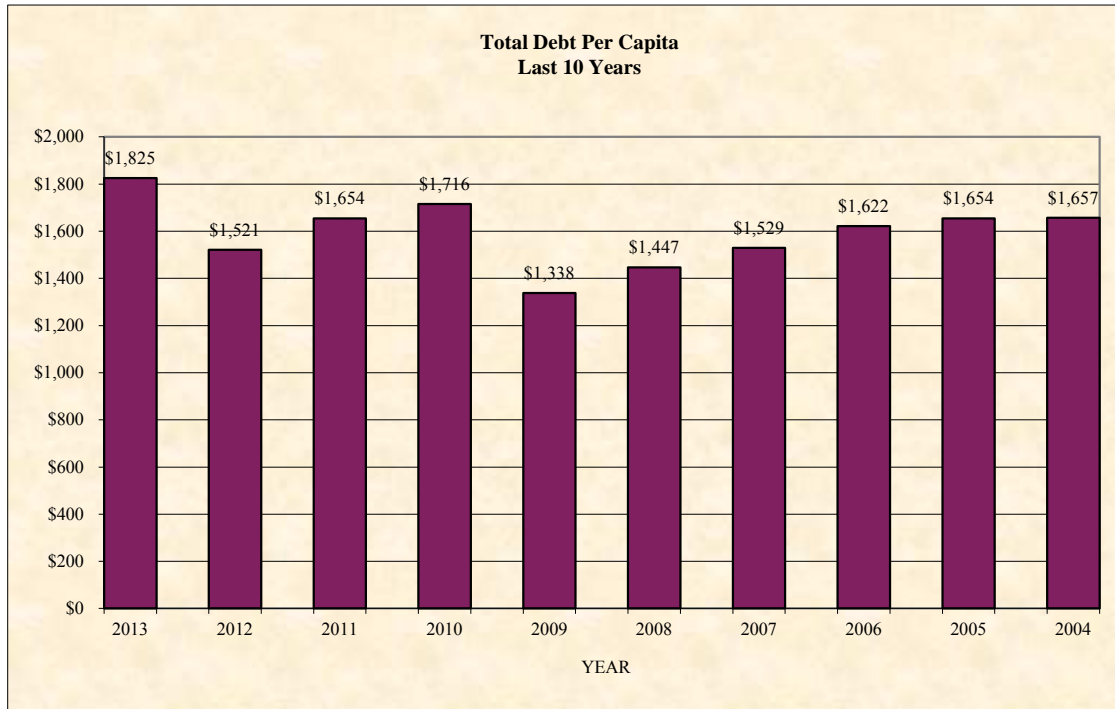
**City of Bedford, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities					General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Bond Anticipation Notes	
2013	\$11,330,105	\$115,000	\$659,147	\$31,164	\$0	\$8,916,167
2012	10,984,030	170,000	733,253	44,475	0	4,095,413
2011	11,729,474	240,000	807,359	12,915	0	4,439,170
2010	11,963,792	310,000	337,199	22,845	0	4,652,674
2009	10,341,088	370,000	385,388	31,102	0	1,919,316
2008	10,861,303	430,000	433,577	42,712	0	2,145,609
2007	11,363,218	500,000	481,766	9,263	0	2,360,202
2006	11,816,833	570,000	529,955	12,458	0	2,563,095
2005	10,780,000	635,000	578,144	15,456	591,850	2,088,206
2004	11,165,000	710,000	626,333	1,133	0	2,261,551

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



Special Assessment Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$1,444,998	\$1,362,192	\$0	\$23,858,773	7.63%	\$1,825
0	2,393,182	1,460,186	0	19,880,539	6.63	1,521
0	3,298,229	1,092,830	0	21,619,977	6.82	1,654
0	3,977,893	1,168,124	0	22,432,527	7.23	1,716
0	4,729,073	1,243,418	0	19,019,385	6.73	1,338
0	5,442,910	1,210,512	0	20,566,623	7.28	1,447
0	6,121,100	899,418	0	21,734,967	7.69	1,529
0	6,765,264	793,921	0	23,051,526	8.08	1,622
0	7,376,946	835,931	608,150	23,509,683	8.24	1,654
40,000	7,957,546	785,311	0	23,546,874	8.25	1,657



**City of Bedford, Ohio**  
*Ratio of General Obligation Bonded Debt to Estimated True  
 Values of Taxable Property and Bonded Debt Per Capita  
 Last Ten Years*

Year	Population (1)		Estimated True Values of Taxable Property (2)	Gross Bonded Debt (3) (4)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2013	13,074	b	\$666,550,924	\$20,246,272	3.04 %	\$1,548.59
2012	13,074	b	753,457,349	15,079,443	2.00	1,153.39
2011	13,074	b	754,877,425	16,168,644	2.14	1,236.70
2010	13,074	b	770,353,067	16,616,466	2.16	1,270.96
2009	14,214	a	917,389,246	12,260,404	1.34	862.56
2008	14,214	a	992,180,325	13,006,912	1.31	915.08
2007	14,214	a	874,106,513	13,723,420	1.15	965.49
2006	14,214	a	881,166,405	14,379,928	1.63	1,011.67
2005	14,214	a	886,322,708	12,868,206	1.45	905.32
2004	14,214	a	832,745,122	13,426,551	1.61	944.60

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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

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

**City of Bedford, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
 December 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
<b>Direct - City of Bedford</b>			
General Obligation Bonds	\$11,330,105	100.00%	\$11,330,105
Special Assessment Bonds	115,000	100.00%	115,000
OPWC Loans	659,147	100.00%	659,147
Capital Leases	31,164	100.00%	31,164
<i>Total Direct Debt</i>	<u>12,135,416</u> *		<u>12,135,416</u>
<b>Overlapping</b>			
Bedford School District			
General Obligation Bonds	2,822,588	37.68%	1,063,551
Capital Leases	251,144	37.68%	94,631
Cuyahoga County			
General Obligation Bonds	338,757,118	0.92%	3,116,565
Revenue Bonds	427,434,477	0.92%	3,932,397
Notes Payable	5,100,000	0.92%	46,920
Loans Payable	19,022,956	0.92%	175,011
Capital Leases	372,101,958	0.92%	3,423,338
Greater Cleveland Regional Transit Authority			
	<u>162,777,626</u>	0.92%	<u>1,497,554</u>
<i>Total Overlapping Debt</i>	<u>1,328,267,867</u>		<u>13,349,967</u>
<b>Total</b>	<u><u>\$1,340,403,283</u></u>		<u><u>\$25,485,383</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.

\* \$10,324,200 of the total \$11,330,105 of total outstanding general obligation debt is backed by two revenue sources.

\$5,954,200 of general obligation bonds for the construction of the Municipal Complex is backed by 1/4 percent municipal income tax, effective for collections on January 1, 2000.

\$1,020,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$115,000 is the amount of Special Assessment debt outstanding and is predominantly paid by businesses on the main routes of the City.

A final source of revenue for the repayment of this debt is real estate taxes. We do not anticipate that any of the \$6,974,200 of outstanding debt will be subject to repayment from this resource.

**City of Bedford, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2013	2012	2011	2010
Population	13,074	13,074	13,074	13,074
Total Assessed Property Value	<u>\$238,173,220</u>	<u>\$268,141,920</u>	<u>\$268,445,870</u>	<u>\$273,760,880</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$20,040,000	\$15,045,000	\$16,130,000	\$16,970,000
Special Assessment Bonds	115,000	170,000	240,000	310,000
Bond Anticipation Notes	0	0	0	0
OPWC Loans	2,021,339	2,193,739	1,900,189	1,505,323
OWDA Loans	<u>1,444,998</u>	<u>2,393,182</u>	<u>3,298,229</u>	<u>4,162,292</u>
Total Gross Indebtedness	23,621,337	19,801,921	21,568,418	22,947,615
Less:				
General Obligation Notes/Bonds	(15,766,000)	(10,538,200)	(11,360,400)	(12,075,900)
Special Assessment Bonds	(115,000)	(170,000)	(240,000)	(310,000)
OPWC Loans	(2,021,339)	(2,193,739)	(1,900,189)	(1,505,323)
OWDA Loans	(1,444,998)	(2,393,182)	(3,298,229)	(4,162,292)
General Obligation Bond Retirement Fund Balance	<u>(138,356)</u>	<u>(112,729)</u>	<u>(42,256)</u>	<u>(5,458)</u>
Total Net Debt Applicable to Debt Limit	<u>4,135,644</u>	<u>4,394,071</u>	<u>4,727,344</u>	<u>4,888,642</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>25,008,188</u>	<u>28,154,902</u>	<u>28,186,816</u>	<u>28,744,892</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$20,872,544</u>	<u>\$23,760,831</u>	<u>\$23,459,472</u>	<u>\$23,856,250</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.46%	84.39%	83.23%	82.99%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$13,099,527</u>	<u>\$14,747,806</u>	<u>\$14,764,523</u>	<u>\$15,056,848</u>
Total Gross Indebtedness	23,621,337	19,801,921	21,568,418	22,947,615
Less:				
General Obligation Notes/Bonds	(15,766,000)	(10,538,200)	(11,360,400)	(12,075,900)
Special Assessment Bonds	(115,000)	(170,000)	(240,000)	(310,000)
OPWC Loans	(2,021,339)	(2,193,739)	(1,900,189)	(1,505,323)
OWDA Loans	(1,444,998)	(2,393,182)	(3,298,229)	(4,162,292)
General Obligation Bond Retirement Fund Balance	<u>(138,356)</u>	<u>(112,729)</u>	<u>(42,256)</u>	<u>(5,458)</u>
Net Debt Within 5 ½ % Limitations	<u>4,135,644</u>	<u>4,394,071</u>	<u>4,727,344</u>	<u>4,888,642</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$8,963,883</u>	<u>\$10,353,735</u>	<u>\$10,037,179</u>	<u>\$10,168,206</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	68.43%	70.21%	67.98%	67.53%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
14,214	14,214	14,214	14,214	14,214	14,214
<u>\$293,946,130</u>	<u>\$306,869,373</u>	<u>\$282,809,736</u>	<u>\$291,754,871</u>	<u>\$294,249,915</u>	<u>\$276,354,300</u>
\$12,680,000	\$13,455,000	\$14,200,000	\$14,379,928	\$12,925,000	\$13,490,000
370,000	430,000	500,000	570,000	635,000	750,000
0	0	0	0	1,200,000	0
1,628,806	1,644,089	1,381,184	1,323,876	615,614	667,965
<u>4,991,234</u>	<u>5,774,833</u>	<u>6,526,785</u>	<u>7,244,711</u>	<u>7,930,155</u>	<u>8,586,780</u>
19,670,040	21,303,922	22,607,969	23,518,515	23,305,769	23,494,745
(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)
(370,000)	(430,000)	(500,000)	(570,000)	(635,000)	(750,000)
(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)	(615,614)	(667,965)
<u>(4,991,234)</u>	<u>(5,774,833)</u>	<u>(6,526,785)</u>	<u>(7,244,711)</u>	<u>(7,930,155)</u>	<u>(8,586,780)</u>
<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>
<u>2,869,773</u>	<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>	<u>3,042,205</u>	<u>1,897,457</u>
30,864,344	32,221,284	29,695,022	30,634,261	30,896,241	29,017,202
<u>\$27,994,571</u>	<u>\$29,104,073</u>	<u>\$26,834,907</u>	<u>\$28,217,091</u>	<u>\$27,854,036</u>	<u>\$27,119,745</u>
90.70%	90.33%	90.37%	92.11%	90.15%	93.46%
<u>\$16,167,037</u>	<u>\$16,877,816</u>	<u>\$15,554,535</u>	<u>\$16,046,518</u>	<u>\$16,183,745</u>	<u>\$15,199,487</u>
19,670,040	21,303,922	22,607,969	23,518,515	23,305,769	23,494,745
(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)
(370,000)	(430,000)	(500,000)	(570,000)	(635,000)	(750,000)
(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)	(615,614)	(667,965)
<u>(4,991,234)</u>	<u>(5,774,833)</u>	<u>(6,526,785)</u>	<u>(7,244,711)</u>	<u>(7,930,155)</u>	<u>(8,586,780)</u>
<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>
<u>2,869,773</u>	<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>	<u>3,042,205</u>	<u>1,897,457</u>
<u>\$13,297,264</u>	<u>\$13,760,605</u>	<u>\$12,694,420</u>	<u>\$13,629,348</u>	<u>\$13,141,540</u>	<u>\$13,302,030</u>
82.25%	81.53%	81.61%	84.94%	81.20%	87.52%

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

Year	Water Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)	
				Principal	Coverage
2013	\$4,827,079	\$3,580,722	\$1,246,357	\$42,700	29.19
2012	4,606,712	2,909,601	1,697,111	31,350	54.13
2011	4,491,419	3,871,249	620,170	20,000	31.01
2010	4,439,060	4,317,927	121,133	20,000	6.06
2009	4,122,298	3,687,421	434,877	10,000	43.49
2008	3,837,269	3,048,014	789,255	0	n/a
2007	3,645,886	3,295,844	350,042	0	n/a
2006	3,296,917	3,013,410	283,507	0	n/a
2005	3,434,611	3,079,704	354,907	0	n/a
2004	3,226,988	3,018,532	208,456	0	n/a

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

(2) Direct operating expenses do not include depreciation.

Source: City Financial Records

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

Year	Wastewater Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2013	\$2,489,481	\$1,571,586	\$917,895	\$1,003,478	\$89,638	0.84
2012	2,412,814	1,400,579	1,012,235	960,341	135,242	0.92
2011	2,268,819	1,334,752	934,067	919,357	173,759	0.85
2010	2,210,152	1,437,937	772,215	900,236	236,069	0.68
2009	2,151,622	1,375,304	776,318	837,884	250,222	0.71
2008	2,159,995	1,145,837	1,014,158	797,229	284,358	0.94
2007	2,154,440	1,498,860	655,580	763,203	325,221	0.60
2006	2,024,507	1,376,482	648,025	730,721	352,377	0.60
2005	2,210,383	1,296,688	913,695	679,082	383,294	0.86
2004	2,099,552	1,254,218	845,334	629,080	413,069	0.81

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

(2) Direct operating expenses do not include depreciation.

Source: City Financial Records

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

<b>2013</b>		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Incorporated	1,328	9.10%
University Hospitals Health Systems	852	5.84
Wal-Mart Associates Inc.	690	4.73
Bedford City School District	449	3.08
US Bank National Association	446	3.06
City of Bedford	371	2.54
HB Employee Services LLC	222	1.52
Jay Pontiac Inc.	212	1.46
Riser Foods Company	200	1.37
Alliance Scientific Solutions	155	1.06
<b>Total</b>	<b>4,925</b>	<b>33.76%</b>
Total Employment within the City	14,590	

<b>2004</b>		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Incorporated	986	7.50%
University Hospital Health Systems	898	6.83
Bedford City School District	572	4.35
City of Bedford	345	2.62
US Bank Leader Mortgage	285	2.17
Target Division of Dayton Hudson	266	2.02
Riser Foods Company	185	1.41
Applebees	176	1.34
Tim Lally Chevrolet Inc.	172	1.31
Jay Pontiac Inc.	169	1.27
<b>Total</b>	<b>4,054</b>	<b>30.82%</b>
Total City Employees	13,153	

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



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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2013	13,074	\$312,808,524	\$23,926	\$42,171	44
2012	13,074	312,808,524	23,926	42,171	44
2011	13,074	312,808,524	23,926	42,171	44
2010	13,074	312,808,524	23,926	42,171	44
2009	14,214	285,360,264	20,076	36,943	39
2008	14,214	285,360,264	20,076	36,943	39
2007	14,214	285,360,264	20,076	36,943	39
2006	14,214	285,360,264	20,076	36,943	39
2005	14,214	285,360,264	20,076	36,943	39
2004	14,214	285,360,264	20,076	36,943	39

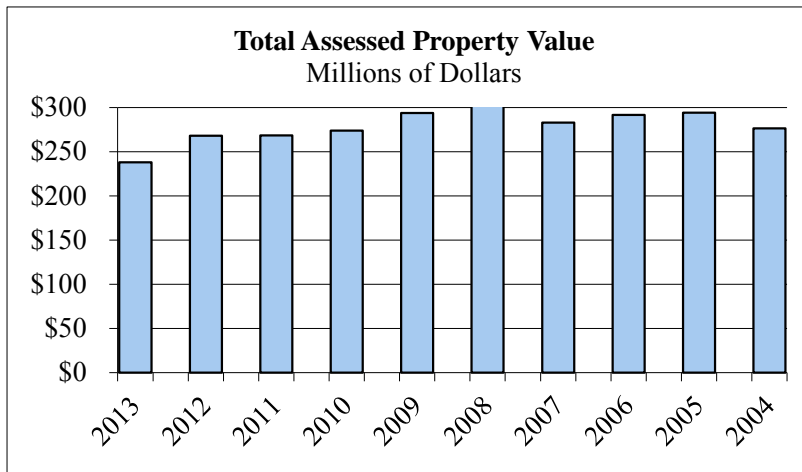
(1) Source: U. S. Census

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

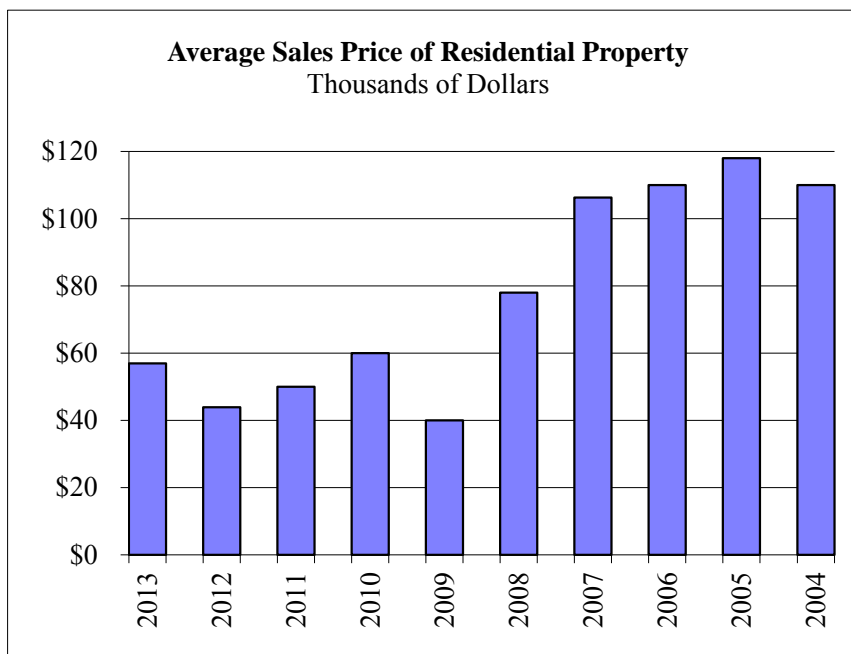
(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
16.7%	3,700	7.2%	\$57,000	\$238,173,220
16.7	3,529	7.3	43,950	268,141,920
16.7	4,011	7.1	50,000	268,445,870
16.7	4,011	8.6	60,000	273,760,880
18.2	4,170	9.0	40,000	293,946,130
18.2	4,108	7.1	78,000	306,869,373
18.2	3,925	6.1	106,250	282,809,736
18.2	3,908	5.5	110,000	291,754,871
18.2	3,680	5.9	118,000	294,249,915
18.2	3,912	6.3	110,000	276,354,300



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

Function/Program	2013	2012	2011	2010
<b>General Government</b>				
Council	8.00	8.00	8.00	8.00
Finance	5.00	5.00	5.00	5.50
Tax	3.00	3.50	3.50	3.50
City Manager	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00
Administration	2.50	3.00	2.00	3.00
Engineer	0.50	0.50	0.50	0.50
Planning	2.00	2.00	2.00	2.00
Civil Service	2.50	2.50	2.50	2.50
Court	32.50	34.00	33.50	33.50
Public Building	4.00	4.00	5.00	5.00
<b>Security of Persons and Property</b>				
Police	31.00	32.00	31.00	32.00
Police - Auxiliary/Guards	12.50	12.50	16.50	14.50
Police - Dispatchers/Office/Other	12.00	14.00	13.50	14.00
Police - Jailers	2.50	2.50	2.50	2.50
Police - Animal Wardens	1.50	1.50	3.00	2.00
Fire	29.00	27.00	27.00	26.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00
<b>Public Health Services</b>				
Cemetery	1.50	1.50	2.00	2.00
<b>Leisure Time Activities</b>				
Recreation	15.00	15.00	18.50	17.50
Municipal Pool	17.00	17.00	16.00	16.00
Ellenwood Center	4.50	3.50	3.50	3.50
<b>Community Development</b>				
Building	5.50	5.00	5.50	5.50
Economic Development	1.00	1.00	1.00	1.00
<b>Transportation</b>				
Service	19.50	19.50	19.00	17.50
Street Maintenance and Repair	5.50	5.50	8.00	8.00
<b>Basic Utility Services</b>				
Water	8.50	8.50	8.50	8.50
Wastewater	10.50	10.50	10.50	10.50
Totals:	<u>240.00</u>	<u>242.00</u>	<u>251.00</u>	<u>247.50</u>

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

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

2009	2008	2007	2006	2005	2004
8.00	8.00	8.00	8.00	8.00	8.00
5.50	5.50	5.50	5.50	5.50	5.00
3.00	3.50	3.50	3.50	3.00	3.50
0.00	1.00	1.00	1.00	1.00	1.00
1.50	1.00	1.00	1.00	1.00	1.50
2.50	4.00	4.00	4.50	4.50	4.50
0.50	0.50	0.50	0.50	0.50	0.50
2.00	2.00	1.50	1.50	1.50	1.50
2.50	2.50	2.50	2.00	2.00	2.00
31.50	35.50	36.50	34.50	30.00	35.00
3.50	5.50	5.00	5.00	5.00	4.00
31.00	35.00	33.00	33.00	32.00	32.00
14.50	16.00	16.50	17.50	12.50	12.50
15.00	15.50	15.00	10.00	12.50	12.50
2.50	2.50	2.50	3.00	2.00	3.00
2.00	2.50	1.50	2.00	2.00	2.00
27.00	27.00	30.00	30.00	28.00	29.00
1.00	1.00	1.50	1.50	1.50	1.50
1.00	1.00	1.00	2.00	1.50	1.50
14.50	20.00	19.00	17.50	14.00	14.00
15.50	16.50	17.50	16.00	15.00	15.00
5.50	3.50	5.50	5.00	6.50	6.50
5.50	5.50	5.50	5.00	5.00	5.00
1.00	2.00	2.00	1.50	1.50	1.50
19.50	20.50	20.00	20.50	24.50	24.50
2.00	6.50	6.50	6.50	4.50	4.50
8.50	9.00	8.50	7.00	9.50	9.50
10.00	10.50	10.00	11.00	11.00	11.00
<u>236.50</u>	<u>263.50</u>	<u>264.50</u>	<u>256.00</u>	<u>245.50</u>	<u>252.00</u>

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

Function/Program	2013	2012	2011	2010
<b>General Government</b>				
<i>Council &amp; Clerk</i>				
Number of Ordinances Passed	103	109	140	231
Number of Resolutions Passed	9	13	13	25
<i>Finance Department</i>				
Number of checks/ vouchers issued	3,584	3,962	4,029	4,158
Amount of checks written	\$21,519,508	\$19,835,510	\$22,586,194	\$22,247,906
Interest earnings for fiscal year (cash basis)	\$51,348	\$56,610	\$78,405	\$80,918
Number of Receipts issued	2,140	2,160	2,088	1,798
Number of Journal Entries issued	1,394	1,139	1,078	1,043
Number of Budget Adjustments issued	96	108	102	93
Agency Ratings - Standard & Poors	AA	AA	AA	AA
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
Health Insurance Costs vs General Fund Expenditures %	17.25%	17.47%	13.75%	11.33%
General Fund Receipts (cash basis in thousands)	\$21,168	\$21,284	\$21,682	\$20,947
General Fund Expenditures (cash basis in thousands)	\$14,998	\$14,878	\$14,663	\$14,832
General Fund Cash Balances (in thousands)	\$8,794	\$8,242	\$7,818	\$6,598
<i>Income Tax Department</i>				
Number of Individual Returns	6,336	6,446	6,474	6,509
Number of Business Returns	2,550	2,365	2,739	2,689
Number of business withholding accounts	862	880	872	1,015
Amount of Penalties and Interest Collected	\$128,946	\$102,127	\$114,277	\$158,390
Annual number of Corporate withholding forms processed	4,424	4,560	4,568	6,598
Annual number of balance due statements forms processed	17,467	15,287	13,272	13,754
Annual number of estimated payment forms processed	8,198	7,785	7,610	8,622
Annual number of reconciliations of withholdings processed	1,005	1,013	1,011	1,154
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$3,128,387	\$1,721,452	\$1,969,866	\$2,302,984
<i>Municipal Court</i>				
Number of Civil Cases	6,318	6,155	6,225	4,558
Number of Criminal cases	11,442	10,923	9,610	9,869
<i>Vital Statistics</i>				
Certificates Filed				
Number of Births	3	1	2	4
Number of Deaths	216	217	228	242
Certificates Issued				
Number of Births	548	340	347	535
Number of Deaths	828	886	1,044	1,112
Burial Permits Issued	482	609	757	668
<i>Civil Service</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	0	0	0	1
Number of police promotional tests administered	0	1	0	1
Number of fire promotional tests administered	0	1	0	0
Number of hires of Police Officers from certified lists	0	2	2	0
Number of hires of Fire/Medics from certified lists	3	1	0	0
Number of promotions from police certified lists	3	1	1	0
Number of promotions from fire certified lists	1	0	0	0

2009	2008	2007	2006	2005	2004
276	265	133	90	117	90
17	23	9	9	20	27
4,089	4,377	4,795	4,428	5,658	5,144
\$22,593,479	\$23,125,393	\$24,035,165	\$21,085,783	\$24,398,291	\$22,180,264
\$261,084	\$536,297	\$948,213	\$710,467	\$416,804	\$221,336
1,802	1,677	1,665	1,628	1,717	1,672
1,015	1,166	1,059	826	808	701
88	115	112	122	136	163
AA-	AA-	AA-	AA-	A+	A+
A1	A1	A1	A1	A1	A1
12.98%	13.25%	12.49%	11.79%	12.01%	14.25%
\$20,887	\$21,478	\$22,709	\$17,725	\$16,088	\$14,958
\$17,007	\$17,047	\$23,570	\$15,203	\$15,299	\$15,299
\$6,283	\$7,903	\$9,392	\$10,214	\$7,613	\$7,316
6,324	6,760	6,808	7,274	7,973	8,660
2,784	2,877	2,650	2,700	2,575	2,693
1,249	1,230	1,610	1,861	1,885	1,929
\$134,751	\$134,751	\$135,901	\$255,463	\$133,572	\$124,942
7,332	7,296	9,088	10,076	10,372	10,772
16,407	15,509	13,486	15,939	17,016	17,397
9,835	11,530	12,007	12,385	12,619	12,646
1,026	1,296	1,625	1,884	1,910	1,941
\$377,787	\$1,453,306	\$1,981,083	\$572,572	\$2,582,246	\$2,130,797
4,664	5,770	5,267	4,577	4,378	4,074
10,675	11,400	10,732	10,289	10,521	11,254
1	1	2	2	2	436
233	266	232	255	261	196
685	859	1,055	1,226	1,239	1,369
1,104	1,385	960	1,327	1,487	1,101
646	698	606	465	454	462
0	0	1	1	1	0
0	0	0	1	1	0
0	0	2	0	0	1
0	0	1	0	0	0
0	2	0	0	0	2
0	0	0	0	0	0
1	3	0	0	0	1
0	1	0	0	0	0

(continued)

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

Function/Program	2013	2012	2011	2010
<b><i>Building Department Indicators</i></b>				
Construction Permits Issued	121	116	132	129
Estimated Value of Construction	\$12,323,104	\$4,872,989	\$2,608,998	\$20,457,039
Number of all permits issued	806	768	820	806
Amount of Revenue generated from permits	\$76,997	\$47,651	\$47,116	\$60,187
Number of contract registrations issued	484	475	463	471
Number of rental inspections performed	480	549	590	564
Number of point of sale inspections	286	227	221	228
Annual Apartment/Rooming House License Fees	\$39,010	\$38,200	\$36,190	\$37,830
Revenue generated from inspections	\$80,699	\$88,175	\$80,795	\$82,905
<b>Security of Persons &amp; Property</b>				
<b><i>Police</i></b>				
Total Calls for Services	19,210	22,943	22,236	22,378
Number of traffic citations issued	1,139	1,421	1,329	1,887
Number of parking citations issued	759	1,027	942	1,493
Number of criminal arrests	1,957	2,622	2,233	1,978
Number of accident reports completed	307	254	309	307
Part 1 Offenses (major offenses)	572	614	703	571
Animal Warden service calls responded to per annual report	1,149	1,473	1,549	1,469
Police Dept. Auxiliary hours worked	2,617	2,798	3,566	3,303
DUI Arrests	30	32	42	46
Prisoners	1,344	1,845	1,717	1,562
Prisoner meal costs	\$23,363	\$25,729	\$17,798	\$16,013
Juvenile Arrests	156	195	188	289
Different Juvenile Arrests	197	179	252	223
Juvenile Repeat Offenders	19	16	22	38
Motor Vehicle Accidents	307	254	308	302
Property damage accidents	208	7	5	18
Fatalities from Motor Vehicle Accidents	4	0	1	1
Gasoline costs of fleet	\$77,037	\$77,141	\$72,985	\$46,347
Community Diversion Program Youths	19	25	24	38
Community Diversion Program - community service hours	352	364	348	408
<b><i>Fire</i></b>				
EMS Calls	1,802	1,865	1,849	1,776
Ambulance Billing Collections (net)	\$418,560	\$436,301	\$459,828	\$359,515
Fire Calls	515	490	716	917
Fires with Loss	15	13	16	14
Fires with Losses exceeding \$25K	5	2	0	1
Fire Losses \$	\$293,450	\$227,150	\$181,800	\$112,650
Fire Safety Inspections	333	332	363	369
Number of times Mutual Aid given to Fire and EMS	114	89	78	70
Number of times Mutual Aid received for Fire and EMS	103	118	127	123
<b>Public Health &amp; Welfare</b>				
Cemetery burials	43	29	33	37
Cemetery cremations	20	24	13	9
Cemetery sale of lots	26	34	121	20
Cemetery receipts	\$48,362	\$41,320	\$75,588	\$32,865



2009	2008	2007	2006	2005	2004
145	129	127	127	120	145
\$1,438,179	\$6,321,592	\$27,740,947	\$5,260,975	\$36,405,800	\$6,370,050
759	848	905	912	918	896
\$29,842	\$77,938	\$162,079	\$65,057	\$64,474	\$41,899
495	450	517	605	453	441
475	451	442	470	503	398
227	253	304	347	342	335
\$38,900	\$36,040	\$37,780	\$31,550	\$7,560	\$8,495
\$83,120	\$87,985	\$85,780	\$92,712	\$59,803	\$56,620
23,467	24,866	22,454	15,000	10,536	10,042
2,233	2,505	2,568	2,574	3,214	2,462
1,447	1,438	1,280	1,434	1,427	1,506
2,367	2,284	1,718	1,863	1,610	2,204
336	470	553	486	544	584
669	600	657	576	540	480
1,532	1,542	1,535	1,732	1,566	2,186
4,315	3,529	3,439	2,668	2,892	2,758
44	48	35	48	50	77
1,860	1,672	1,456	1,510	1,415	1,482
\$30,929	\$28,509	\$20,517	\$16,139	\$14,157	\$15,754
349	455	340	332	168	n/a
267	268	253	253	159	n/a
51	65	49	47	9	n/a
323	459	541	486	526	584
30	36	430	422	452	501
0	2	1	0	1	1
\$55,521	\$86,900	\$67,244	\$45,645	\$36,301	\$38,858
64	49	45	45	75	73
548	516	648	670	1,048	1,026
1,673	1,954	1,704	1,536	1,629	1,608
\$400,528	\$429,346	\$354,920	\$348,187	\$390,749	\$282,012
583	502	526	505	540	449
13	28	44	35	28	25
6	2	6	3	8	7
\$299,000	\$160,170	\$427,900	\$251,950	\$459,700	\$401,150
392	393	398	398	425	464
105	111	166	168	115	133
89	13	42	43	62	60
289	23	39	42	35	38
17	13	9	22	19	22
45	40	36	28	46	90
\$45,120	\$39,230	\$43,705	\$45,941	\$48,380	\$66,517

(continued)

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

Function/Program	2013	2012	2011	2010
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$32,364	\$39,798	\$40,704	\$40,128
Recreation Mens & Womens Leagues receipts	39,766	41,511	40,960	41,249
Senior Van Fees	2,577	2,536	2,766	2,804
Playground Registration	24,900	18,910	15,325	21,027
Ellenwood Facilities rentals	27,110	26,006	25,418	26,504
Total Recreation Department receipts	<u>\$126,717</u>	<u>\$128,761</u>	<u>\$125,173</u>	<u>\$131,712</u>
<b>Community Development</b>				
Grant amounts received due to Economic Development Dept.	\$232,062	\$106,145	\$586,562	\$664,367
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) August through July	4,368	4,622	4,667	4,717
Refuse disposal costs per year August through July	\$700,186	\$696,183	\$669,194	\$715,970
Cost per household per month	\$12	\$12	\$12	\$13
Annual recycling tonnage (excluding leaf, and compost items)	338	341	388	347
Percentage of waste recycled	7.21%	6.87%	7.68%	6.85%
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	26,050	0	9,650	36,900
Rejuvenating Spray on Streets (Miles)	0.00	0.00	0.00	0.00
Crackseal Coating Program (Miles)	7.20	7.20	7.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	4,094	4,323	3,832	3,410
Guardrail Repair (hours)	48	48	48	48
Paint Striping (hours)	1,164	1,275	808	680
Street Sweeper (hours)	381	511	448	808
Cold Patch (hours)	1,644	1,300	1,800	1,392
Snow & Ice Removal regular hours	874	413	946	1,558
Snow & Ice Removal overtime hours	1,088	929	987	1,864
Sewer and Sanitary calls for service	909	899	974	894
After hours Sewer Calls (hours)	209	296	371	331
Sewer Crew (hours)	2,227	2,179	2,168	2,494
Sewer jet, Vac-all, other services (hours)	2,308	2,638	3,249	2,423
Landscaping Stump-Chipper service (hours)	3,647	5,154	5,406	4,947
Leaf collection (hours)	2,148	2,024	2,083	2,313
Holiday lights setup (hours)	1,115	1,407	1,644	1,636
Downtown Square Repair after events (hours)	1,516	42	69	60
Equipment repair/body shop (hours)	5,595	5,383	5,734	6,391
Sign department (hours)	2,603	2,530	789	856
Number of Trees Planted per year	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	4,232	3,439	5,838	5,821
Cost of salt purchased	\$155,263	\$126,869	\$261,845	\$261,002
Tons of road traction ice grits purchased	0	0	0	0
Cost of ice grits purchased	\$0	\$0	\$0	\$0
<b>Water Department</b>				
Water Rates per 1st 300 Cu ft of water used	\$25	\$25	\$24	\$23
Avg. number of water accounts billed monthly (Cu. Ft.)	5,004	5,004	5,005	5,003
Total Water Collections Annually (Including P&I)	\$4,384,856	\$4,643,270	\$4,021,989	\$4,341,474
Payments to Cleveland for bulk water purchases	\$2,665,054	\$2,497,967	\$2,810,055	\$3,447,605
<b>Wastewater Department</b>				
Wastewater Rates per 1st 300 Cu ft of water used	\$17.00	\$17.00	\$15.00	\$15.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.824	0.816	0.975	0.868
Average daily flow (Millions of gallons per day)	2.258	2.231	2.910	2.379
Tons of dry sludge removed	230.40	258.56	251.70	250.40

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

2009	2008	2007	2006	2005	2004
\$35,152	\$39,378	\$37,950	\$37,637	\$36,687	\$27,857
45,542	31,948	21,666	15,513	18,962	18,979
2,793	2,268	2,175	2,403	2,593	2,955
19,930	20,509	23,410	17,833	10,750	2,390
24,278	19,857	18,723	21,050	26,274	23,237
<u>\$127,695</u>	<u>\$113,960</u>	<u>\$103,924</u>	<u>\$94,436</u>	<u>\$95,266</u>	<u>\$75,418</u>
\$11,913	\$461,066	\$457,011	\$1,109,423	\$269,071	\$195,472
4,769	5,200	5,308	5,955	5,751	5,909
\$723,149	\$719,902	\$509,870	\$544,013	\$490,430	\$478,351
\$13	\$13	\$9	\$10	\$9	\$8
379	439	440	514	487	599
7.36%	7.79%	7.65%	7.95%	7.81%	9.20%
0	5,200	0	0	16,400	6,650
0.00	0.00	0.00	1.15	1.15	2.26
70.20	7.20	7.20	7.20	7.20	7.20
4,049	4,180	3,577	4,508	3,941	3,844
48	48	48	36	40	144
1,013	876	960	1,439	1,668	1,012
702	831	754	760	832	1,004
2,729	1,868	1,248	1,924	2,419	2,492
760	730	630	316	608	760
855	1,598	1,125	473	1,807	1,349
956	834	845	1,002	894	869
416	1,506	1,636	1,765	1,865	1,727
3,718	3,747	3,632	3,690	3,806	3,481
1,993	2,209	1,573	3,483	411	2,226
4,190	6,003	5,320	5,574	5,429	4,796
2,424	2,243	2,670	2,310	2,136	2,566
1,444	1,352	1,449	1,605	1,798	1,699
340	340	340	682	420	420
6,945	6,842	5,591	7,574	7,658	6,824
456	1,502	1,559	1,541	1,332	2,177
60-80	60-80	60-80	60-80	60-80	60-80
5,793	1,510	6,885	6,132	6,578	6,900
\$252,186	\$128,362	\$269,153	\$230,080	\$218,854	\$193,980
0	1,316	0	0	0	0
\$0	\$21,842	\$0	\$0	\$0	\$0
\$21	\$19	\$17	\$17	\$16	\$16
5,008	4,999	5,004	4,967	4,899	4,911
\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530
\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987
\$14.00	\$14.00	\$13.18	\$13.18	\$13.18	\$13.18
0.879	0.966	0.949	1.018	1.018	1.054
2.407	2.638	2.601	2.764	2.788	2.880
242.73	228.14	233.04	266.06	214.42	205.71

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

Function/Program	2013	2012	2011	2010	2009
<b>General Government</b>					
Square Footage Occupied	44,035	44,035	44,035	44,035	44,035
Administrative Vehicles	2	2	2	2	2
Inspection Vehicles	3	3	2	3	3
Municipal Court Vehicles	2	2	2	1	1
Lands & Buildings Vehicles	2	2	2	2	2
<b>Police</b>					
Stations	1	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667	21,667
Vehicles	22	22	22	22	22
<b>Fire</b>					
Stations	1	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774	14,774
Vehicles	12	12	12	13	12
<b>Recreation</b>					
Number of Parks	4	4	4	4	4
Number of Pools	1	1	1	1	1
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	7	7	7	7	7
Number of Tot Lots	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433	25,433
Vehicles	14	13	13	13	13
<b>Other Public Works</b>					
Streets (miles)	48	48	48	48	48
Service Vehicles	58	58	60	60	57
<b>Wastewater</b>					
Sanitary Sewers (miles)	41.80	41.80	41.80	41.80	41.80
Storm Sewers (miles)	48.70	48.70	48.70	48.70	48.70
Vehicles	5	7	6	6	7
<b>Water Department</b>					
Water Lines (miles)	100	100	100	100	100
Vehicles	7	7	7	7	8

Source: City of Bedford

2008	2007	2006	2005	2004
44,035	44,035	44,035	44,035	44,035
3	2	2	2	2
3	3	3	3	3
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
21,667	21,667	21,667	21,667	21,667
23	22	20	20	20
1	1	1	1	1
14,774	14,774	14,774	14,774	14,774
12	10	10	10	10
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
7	7	7	7	7
4	4	4	4	4
1	1	1	1	1
25,433	25,433	25,433	25,433	25,433
15	14	13	13	11
48	48	48	48	48
58	55	54	55	51
41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70
7	6	6	6	6
100	100	100	100	100
7	4	4	4	4

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

Function/Program	2013	2012	2011	2010	2009
<b>General Government</b>					
Municipal Complex					
City Hall Building	\$3,054,068	\$2,955,970	\$2,893,238	\$2,790,117	\$2,765,189
City Hall Miscellaneous Equipment	867,386	831,178	807,330	770,765	771,779
Garage	40,737	39,200	38,655	37,026	36,674
Radio Building	12,878	12,486	12,254	11,810	11,701
Radio Tower	42,484	41,271	40,490	39,549	39,348
<b>Police</b>					
Municipal Complex					
Justice Center Building	14,437,761	13,998,601	13,720,291	13,232,422	13,089,869
Justice Center Miscellaneous Equipment	2,219,559	2,171,894	2,118,607	2,052,055	2,018,069
<b>Fire</b>					
Municipal Complex					
Station Building	3,267,282	3,169,384	3,095,396	2,985,454	2,958,158
Station Miscellaneous Equipment	1,118,003	1,066,317	938,759	843,619	816,287
<i>Total Municipal Complex</i>	<u>\$25,060,158</u>	<u>\$24,286,301</u>	<u>\$23,665,020</u>	<u>\$22,762,817</u>	<u>\$22,507,074</u>
<b>Recreation</b>					
Ellenwood Rec Center					
Building	\$4,594,985	\$4,456,186	\$4,371,021	\$4,214,709	\$4,176,817
Municipal Pool					
Bathhouse Building	293,738	285,506	275,905	266,485	264,044
Swimming Pool	1,056,348	1,027,574	1,001,340	968,039	960,261
<b>Other Public Works</b>					
Service					
Garage - Solon Road	1,919,343	1,864,429	1,825,956	1,756,094	1,690,926
Garage - Salt Storage	89,426	86,053	84,856	81,280	80,507
Administration Building	467,808	450,161	443,286	414,777	410,833
Cemetery					
Storage Building	162,216	156,143	153,928	147,480	146,091

2008	2007	2006	2005	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$2,629,059	\$2,571,532	\$2,145,077	\$2,272,641	2003	\$2,030,818	36.16 %
741,201	706,017	662,990	632,257	Various	561,893	37.35
35,605	35,114	32,584	31,087	2003	27,419	33.75
11,125	10,890	10,058	9,618	1997	7,317	59.92
36,119	35,060	32,460	31,122	2003	27,378	43.72
12,445,472	12,172,350	11,253,749	10,758,102	2003	9,573,704	36.73
1,874,287	1,793,900	1,703,307	1,526,194	Various	1,245,745	62.00
2,812,538	2,750,580	2,543,267	2,431,164	2003	2,162,658	36.78
714,104	618,296	573,755	519,219	Various	502,303	62.51
<u>\$21,299,510</u>	<u>\$20,693,739</u>	<u>\$18,957,247</u>	<u>\$18,211,404</u>		<u>\$16,139,235</u>	39.46
\$3,971,176	\$3,880,354	\$3,582,170	\$3,424,798	1964, 1984, 1998	\$780,688	435.02
242,512	217,214	200,749	191,934	1969	58,986	347.64
894,439	477,207	443,171	425,676	1969, 1993	817,542	17.46
1,573,218	1,491,010	1,266,187	1,210,810	1953, 1972, 1979	545,316	210.08
78,162	77,083	71,532	68,243	1992	45,585	76.61
n/a	n/a	n/a	n/a	2009	389,322	5.53
141,804	139,802	129,765	123,788	1985	67,414	116.71

(continued)

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

Function/Program	2013	2012	2011	2010	2009
<b>Wastewater</b>					
Sewage Treatment Plant					
Administration Building	\$166,135	\$161,077	\$158,089	\$152,361	\$150,957
Administration Miscellaneous Equipment	906,593	892,105	383,650	372,129	371,759
Laboratory Building	315,445	306,889	300,058	290,131	287,887
Laboratory Miscellaneous Equipment	157,498	147,919	142,306	139,761	139,626
Filter Building	269,177	260,982	256,142	246,860	244,585
Filter Miscellaneous Equipment	488,972	483,221	464,323	455,754	455,298
Primary Settling Tanks	782,419	761,108	741,676	717,011	711,251
Primary Settling Tanks - Miscellaneous Equipment	610,086	602,912	579,333	568,642	568,074
Oxidation Tower East Building	602,200	585,797	570,842	551,859	547,425
Oxidation Tower East - Miscellaneous Equipment	1,017,716	1,005,748	966,415	948,582	647,634
Oxidation Tower West Building	602,200	585,797	570,842	551,859	547,425
Oxidation Tower West - Miscellaneous Equipment	1,017,716	1,005,748	966,415	948,582	947,634
Equalization Basin Building	1,605,203	1,561,482	1,521,616	1,471,013	1,459,194
Rapid Sand Filter Building	685,650	664,775	652,443	628,800	623,007
Rapid Sand Filter - Miscellaneous Equipment	1,176,005	1,162,203	1,116,845	1,096,280	1,091,302
Final Settling Tank #2 Building	401,242	390,313	380,349	367,700	364,746
Final Settling Tank #2 - Miscellaneous Equipment	151,979	150,192	144,318	141,655	141,513
* Total Buildings	34,868,745	33,821,184	33,108,673	31,922,836	31,566,895
** Total Miscellaneous Equipment	9,731,513	9,519,437	8,628,301	8,337,824	7,968,975

**Source:** Industrial Appraisal Company: *Property Inventory & Accounting Cost Record Report - City of Bedford, Ohio*  
Industrial Appraisal Company: *Summary Revaluation Report - City of Bedford, Ohio*

\* All unlisted buildings included

\*\* All unlisted Miscellaneous equipment included (excludes vehicles)

(1) Information prior to 2005 is not available



2008	2007	2006	2005	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$143,522	\$140,487	\$129,757	\$124,086	1973	\$30,639	392.70 %
351,360	546,274	314,705	155,436	Various	479,908	(22.54)
273,737	266,884	247,689	236,455	1986	130,207	121.10
133,040	127,561	121,240	115,076	Various	70,769	97.30
232,540	227,623	210,237	201,050	1973	49,644	392.68
433,123	414,669	393,387	372,631	Various	238,373	91.00
320,057	297,230	276,031	265,135	1985	145,706	388.14
540,405	517,382	490,828	464,931	Various	313,461	81.23
509,897	471,568	437,935	420,647	1973, 2001	105,767	417.58
901,478	863,071	818,775	775,575	Various	724,950	(10.67)
509,897	471,568	437,935	420,647	1973, 2001	103,842	427.17
901,478	863,071	818,775	775,575	Various	724,950	30.72
1,113,837	1,034,397	960,623	922,700	1992, 1993, 1997	1,827,056	(20.13)
592,325	579,801	535,515	512,111	2001	436,529	42.72
1,028,298	984,591	934,181	885,020	Various	806,377	35.33
339,740	301,091	279,617	268,578	1973	68,666	431.19
134,620	128,885	122,270	115,819	Various	32,682	333.00
28,906,781	27,648,845	25,226,108	24,350,392		19,432,203	62.45
7,753,394	7,563,717	6,954,213	6,337,733		5,701,411	39.77

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

Vehicle/Program	Current Replacement Costs	2012	2011	2010	2009
<b>Police</b>					
Cost Per Patrol Car	\$0	\$0	\$25,472	\$22,509	\$26,613
<b>Fire</b>					
Cost Per Fire Pumper (1)	0	0	0	0	0
Cost Per Ambulance	0	0	210,878	0	0
<b>Service</b>					
Cost Per Vac All (2)	0	0	0	0	0
Cost Per Street Sweeper	0	0	0	0	0
Cost Per Salt Truck	0	0	0	0	0
Cost Per Water Utility Truck	0	0	0	0	41,021
Loader	0	0	125,017	0	0
2500 HD Chevy 4X4 Pick up	0	0	23,875	0	0
Dump Truck	0	0	100,527	0	0
<b>Road Construction</b>					
Ohio Department of Transportation Construction Cost Composite Index (3)	101.0	104.3	97.4	90.6	88.1

**Sources:** City of Bedford Finance Department

Ohio Department of Transportation

(1) Last purchase made in 1996 for \$292,362

(2) Last purchase made in 1991 for \$107,000

(3) Calculated indicator provided by the Ohio Department of Transportation for construction cost trends.

Significant increases due to crude oil, diesel, basic commodity prices for construction materials, energy costs, and raw material production.

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2008	2007	2006	2005	2004
\$22,463	\$24,461	\$23,941	\$24,521	\$24,212
0	441,564	0	0	0
0	167,192	0	155,711	0
0	275,000	0	0	0
0	115,000	0	0	0
105,622	110,000	0	81,361	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
151.9	141.4	126.1	127	112

**City of Bedford, Ohio**  
*Water Utility Statistics*  
*Last Ten Years*

	2013	2012	2011	2010
Gallons of Water Purchased from Cleveland	84,388.60	79,091.76	98,281.42	110,165.44
Gallons of Water Sold (Billed) to Users	64,987.49	64,457.77	61,514.58	64,072.93
Percent of Water Billed	77.01%	81.50%	62.59%	58.16%
Water Billings	\$4,763,874	\$4,615,802	\$3,949,865	\$4,288,675
Water Collections	\$4,828,534	\$4,643,270	\$4,381,620	\$4,341,474
Percentage Collected from Billings	101.36%	100.60%	110.93%	101.23%
Payments to City of Cleveland	\$2,665,054	\$2,497,967	\$2,810,055	\$3,447,605
Percentage of payments to the City of Cleveland compared to total water collections	55.19%	53.80%	64.13%	79.41%

Source: City of Bedford Water Department

2009	2008	2007	2006	2005	2004
96,955.60	95,405.00	95,465.00	89,658.00	102,694.70	101,437.20
62,823.09	65,901.00	69,612.00	67,949.50	75,840.80	71,942.10
64.80%	69.07%	72.92%	75.79%	73.85%	70.92%
\$3,896,479	\$3,632,402	\$3,422,229	\$2,932,256	\$3,369,868	\$3,080,348
\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530
101.50%	97.25%	100.69%	101.87%	100.68%	101.21%
\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987
72.54%	74.66%	72.74%	76.86%	75.07%	80.19%

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# Dave Yost • Auditor of State

**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  
JULY 1, 2014**