

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT



For The Year Ended
December 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Bedford, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Bedford is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 14, 2010

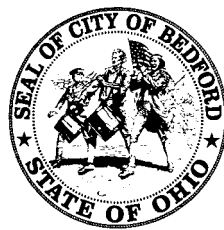
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*COVER PICTURES AND DIVIDER PAGES DEPICT
BEDFORD ARTS & CULTURAL BOARD: PAST, PRESENT, and FUTURE*

The Bedford Arts & Cultural Board is a seven member board appointed by City Council in 2006. The Mission of the Board is to promote the value of the arts, enrich the cultural fabric of the community, endorse the spirit of creativity and celebrate diversity while preserving the history and heritage of Bedford. During its four year existence, the Board has gone through a Strategic Planning process, developed bylaws, established a data base of artists, partnered with academia and outside arts institutions, as well as local organizations. Baldwin Wallace College, CPAC (Community Partnership for Arts & Culture), CAC (Cuyahoga County Arts and Culture), the Cleveland Institute Of Art, and Young Audiences Of Northeast Ohio, are just a few examples.

Although enhancing the quality of life in the community is an important aspect of the Board's mission, economic development is the underlying catalytic component. Currently, program initiatives include: the annual Chalk Art Festival, a variety of art shows, interaction with the school systems (public and private) in student art projects, children's after-school art instruction, pre-school art enrichment (housed in local businesses), and public art projects. In addition, co-operative projects with Chamber Of Commerce – Christmas In Bedford Falls and the Bedford Historical Society's Strawberry Festival add to the community involvement. 2010 brings a first for the Bedford area. This project is called: the Weekend Of The Pooka: A Celebration Of The Arts. The celebration, held on Bedford Commons, begins on Friday with a concert presented by an ensemble from nationally renowned Apollo's Fire. The next day, this gala event features an art show and sale, children's hands-on art activities, live music and dance performances and a gourmet food station.

As we look to the future, the Board continues to strive for a standard of excellence and credibility, while building a corridor of arts and entertainment, making Bedford a destination in Cuyahoga County.



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**City of
Bedford, Ohio**

TITLE
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COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2009

Prepared by:

DEPARTMENT OF FINANCE
Frank C. Gambosi, CPA, DIRECTOR
Debbie Parina, Administrative Secretary
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Tesa Tench, A/P Accounting Clerk
Jonathan Lindow, A/R Accounting Clerk

I NTRODUCTORY

S ECTION



City of Bedford, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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CITY OF BEDFORD OHIO

June 17, 2010

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

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

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ending December 31, 2009 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Ciuni & Panichi, Inc., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

History of Bedford and Form of Government

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

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

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

The Police Department enforces local, state, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as DARE and the juvenile diversion program. While promoting regionalism, in 2009 the animal control services also includes the neighboring City of Bedford Heights. The police department is located adjacent to City Hall.

The Fire Department provides fire protection and emergency medical services (paramedic) to City of Bedford citizens, as well as placing strong emphasis on community involvement and education. A Chief and his assistant lead the department. A fire prevention officer focuses on the reduction of potential fires and loss of property within the City. The fire facility is located in a separate facility in front of City Hall. The Fire Departments of Maple Heights 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 created the better service while not costing anything to the 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 about 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 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 6,300 resident returns, 2,800 business net profits returns and the collection from 2,000 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, credit card and electronic check tax payments, as well as free preparation in house service for the municipal income tax returns.

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

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

Ben Venue Laboratories, Inc., the City of Bedford’s largest employer was acquired by the Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and the 15th largest

pharmaceutical company in the world having more than 41,000 employees with locations in over 47 countries. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has highly automated manufacturing facilities throughout the world including locations in Columbus, Ohio, Mexico City, Mexico and Barcelona, Spain. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue is one of the largest and oldest manufacturers of lyophilized (freeze-dried) injectable drugs in the United States. Since 1995, Ben Venue, through its Bedford Laboratories Division has obtained over 95 Abbreviated New Drug Application ("ANDA") approvals for injectable drugs from the FDA, building a portfolio of over 265 presentations.

Ben Venue's history of continued growth is one any city could hope for. The company moved to Bedford in 1941 and as of 1995, Ben Venue had grown to 419 employees and operated within a 250,000 square foot facility. From 1996 to present, Ben Venue has approached the City for abatements in the Community Reinvestment area, regarding real estate development and tax exemptions to be able to conduct various expansion projects. Subsequently, Ben Venue has been able to continue to grow within their Bedford, Ohio location. Today, headcount has increased to more than 1,300 and they are now operating in a one million square foot manufacturing area.

Their most recent project completion includes the Phase V project. In 2005, Ben Venue signed a Community Reinvestment Agreement with the City for the construction of a new building referred to as Phase V. The investment by Ben Venue into the construction of the new building was \$20 million and the equipment and fixtures entailed an investment of \$48.5 million, as well as adding an additional \$1.5 million in inventory levels. This expansion project was estimated to require the hiring an additional 125 employees with an increase in payroll of \$4.4 million.

The original Phase V expansion project was to be completed at the end of 2006 and contained space for one filling line, one lyo capping line, and six freeze dryers and a small equipment prep area with a stopper washer, hot air oven and autoclave on the first floor. Compounding rooms, QC labs, micro labs and locker rooms were also included. A penthouse on the roof provides mechanical space. Space was also made available for a second filling line. The plan included 80,700 square foot total expansion.

A decision to modify the Phase V facility came in 2007. The modification project was entitled Phase V Conversion and was an estimated \$71.5 million project that would add 83,000 square foot of manufacturing capacity to the original Phase V project. The scope of the Phase V Conversion project was the modification of the Phase V project into a larger facility which would serve as a segregated facility for the manufacturing of cytotoxic and genotoxic products, one of the first of its kind in the US. The construction aspects of this project was completed in 2009 and manufacturing is anticipated to take place in this facility before the end of 2010.

In addition to expanding its manufacturing space, Ben Venue has also added 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 and Development Center. The total amount of project investment was \$17.5 million with building costs of \$14.8 million and an investment of new machinery at a cost of \$1.5 million. The City offered incentives in the form of an abatement of real estate only at 50 percent for 15 years. The increase in personnel was expected to be between 40 and 50 employees with a payroll that was expected to grow by \$1,750,000 per year. 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 continues to identify future needs to ensure their continued growth.

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

Within a period of 5 years after the completion of construction, Hemisphere will create 3 new jobs and transfer 5 current jobs to the site. Hull and Associates will create 16 new jobs and transfer 29 jobs to the site and, in total, both companies will create additional payroll of \$1,300,375. Current annual payroll of each company is \$541,000 and \$1.6 million respectively.

The Ganley Volkswagen of Bedford is expected to create 50 new jobs for the City of Bedford, while retaining the 42 jobs already existing in Ohio, adding an additional payroll of \$1.9 million. Actual total payroll for 2008 amounted to \$2,447,805, while in 2007 the total payroll amounted to \$1,952,766.

The Ganley Real Estate Company finished constructing in 2007, a new approximately 8,100 square foot building to expand its Subaru operations. The company invested approximately \$4 million in buildings and service center, site work, new machinery and equipment, furniture and fixtures and inventories. The company was expected to create 35 new jobs and create an additional payroll of \$1.6 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.

The City purchased the Knights of Columbus Hall on Solon Road in the amount of \$246,258. This building was refurbished at an additional cost of \$150,885 to house the City's service vehicles, equipment and offices of the service department. This building is adjacent to the current service garage and is currently providing parking for our employees.

In 2008, a Wal-Mart Super Store was completed at a cost of \$7.5 million dollars. The Walmart store created over 400 new jobs at a payroll of over \$7 million. Overall, the total estimated annual revenue to be received by the City (including Real Estate Taxes) is over \$315,000.

Major Initiatives

During 2009, the City completed or made substantial progress toward several major goals or projects.

In 2006, the rating agencies of Standard & Poor's upgraded the City's bonds to an AA- Level, while Moody's Investor Services maintained the City's bond rating at A1. Moody's Investor Services recalibrated all municipal ratings in April 2010. The City of Bedford's municipal bond rating now stands at an Aa2 level.

The City Council and the Administration went to the voters to pass a permanent 8.9 mill Safety Forces Levy on November 3, 2009. The levy passed (71 percent for the levy), and the City is expected to receive \$2.3 million per year. The Fire and AFSCME Unions, along with Council and the administration, agreed to a concession of no raises in 2010 to avoid layoffs of their union members. The Police union did not agree to concessions and one officer was laid off and the police department budget was reduced to offset the funds necessary to have a total combined reduction in costs of \$400,000 in 2010.

The general fund was expected to have a total deficit of \$2.7 million per year. This deficit was 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 prepare a balanced budget for 2010. The City administration prepared and, through Council, adopted the 2010 annual budget (appropriations) before December 31, 2009; 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 spending and increase revenues in the budget for 2010.

The City was awarded a grant of \$38,040 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars were \$127,897, while in 2008 we received \$63,477.

The American Reinvestment Recovery Act (ARRA) of 2009 allowed the City to obtain more funding for the SEALE program in the amount of \$64,627. The City received another ARRA grant for the Juvenile Diversion Coordinator in the amount of \$36,210. The City received a grant for the Violence against Women Act (VAWA) in the amount of \$26,640.

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

- Cuyahoga County and the City of Bedford will be resurfacing Rockside road at a cost estimated at \$3.2 million. The State of Ohio's Issue II funds will be providing 90 percent of this project with engineering at cost to the City at \$318,366.
- The City applied for an Issue II engineering reimbursement grant on the construction of Rockside Road. Receipt of the grant will begin in early 2010, with the remainder to be received when construction begins after the 4th of July holiday weekend.

The street lighting rate of mileage was decreased in 2009's tax budget for collection in 2010 to 1.1 mills even though the County decreased its valuation of City property. Prior to this decrease in mills, the City maintained the millage for eight straight years at 1.2 mills.

The County performed its six-year reappraisal of industry and residential property values in 2009. The total tax valuation decreased to \$273,760,880 in 2009 for collection in 2010 compared to appraised valuations of the City of \$293,946,130 in 2008, and \$306,869,373 in 2007. This was caused by HB66 which phases out the business personal property valuation for taxation purposes and due to the economy and housing foreclosure problems. The County is estimating that the collections on real estate taxes will have a delinquency of 6.2 percent.

The City realized its fifteenth-year of wastewater saving from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5 percent more than City is charging today (over \$3.0 million has been saved to date).

Due to the kindness of the Bedford Fraternal Order of Eagles the City's fire and police departments each received a donation of \$15,000 for their departments preferred use.

The Bedford Fire Department performed ambulance runs in the year 2009. The ambulance runs generated a gross total of \$397,350 in 2009. The City pays an 8 percent administrative billing costs to Great Lakes Billing Company on an annual basis. An increase in user rates was last placed in service July 1, 2008.

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

The City received a grant and loan from the State of Ohio Issue II Committee for the Construction of the Northfield Road Water main. The total estimated cost of construction is \$800,000. The Ohio Public Works Commission (OPWC) has awarded the City a grant in the amount of \$320,000 and a 0 percent interest loan in

the amount of \$400,000. The City is required to fund the 10 percent balance of 80,000. At year end, the City has expended \$895,532 in total, on this project. This project will allow for more water to be afforded to Ben Venue Laboratories for future expansion.

The City established a housing rehabilitation fund to repair violations against abandoned properties and assess these costs to the homeowner's tax duplicate. The City's collection rate is 54.89 percent of houses rehabilitated in 2008 or 2009, if we consider all houses improved over one year, a collection rate of 100 percent is obtained.

The City received two ARRA grants through the Housing and Urban Development (HUD) passed through Cuyahoga County. The CDBG 14.253 Funds Housing Improvement Grant in the amount of \$100,000 and the CDBG 14.256 Funds, Neighborhood Stabilization Program (NSP) Grant in the amount of \$500,000.

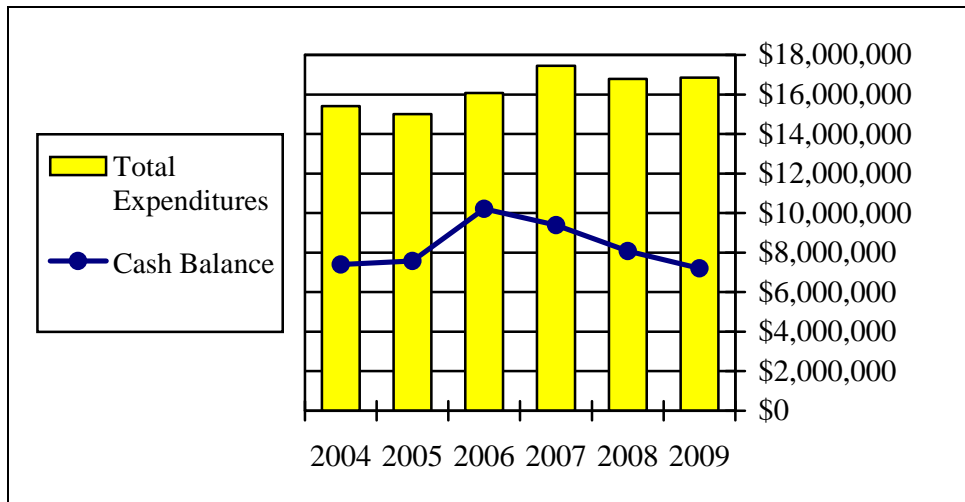
The City established a HUD housing fund to own and rehabilitate houses for resale. The City purchased 16 houses ranging from \$1 to \$30,100. The City was able to sell 6 houses out of the 16 for a combined net profit of \$105,432. The City's general fund advanced \$720,000 to date for these 16 houses. 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 16 years. In 2009, the net savings from this type of program was over \$200,000 versus a premium plan program. The estimated savings to the general fund from being self-insured to date for the past 16 years is \$2,077,947.

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 \$7,199,742. The 2009 operating cash balance represented 36.95 percent of the total general fund expenditures or 135 days of general fund operating expenditures. This cash balance falls above the City's policy of maintaining a minimum required balance of \$5.8 million dollars in the general fund. This \$5.8 million balance is required to cover any future negative changes in net-profit payments from our largest taxpayer.



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

Financial Policies

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.

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.

General Fund Balance Policy

The City has long maintained a general fund reserve fund balance policy. The current reserve is set at \$5.8 million and with other current available funds at \$483,295 these amounts represented, as stated above a 36.95 percent fund balance to operating expenditures ratio. Having this policy in place, and the Administration as well as Council realizing that a deficit spending pattern of \$2.7 million per year was taking place (general fund revenues vs. expenses); the City placed an 8.9 mill levy on the November 3, 2009 ballot to counter this deficit immediately. The deficit was created due to the elimination of tangible personal property taxes by the State, and the reduction of local government dollars provided by the State, as well as, a large reduction in business net profit income tax dollars. The citizens of Bedford seeing the need also, overwhelmingly passed the safety forces tax levy by 71 percent.

Debt Policy

The City has a debt policy, which has been utilized recently and analyzed yearly. Our latest general obligation debt issue was in 2006. Our debt issues are well in line with our debt capacity and in line with our affordability requirements. The City is currently considering an issuance of debt (a note or bond issue in 2010) for projects and improvements deemed necessary by the Administration and City Council.

Investment Policy

Cash management is a vital component in the City of Bedford's overall financial strategy. The primary objective of the City's investment activity is the preservation and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. The total investment income during 2009 was \$263,099 and \$556,878 in 2008.

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

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 2008 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 2009 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, City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Henry Angelo
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2009

Elected Officials

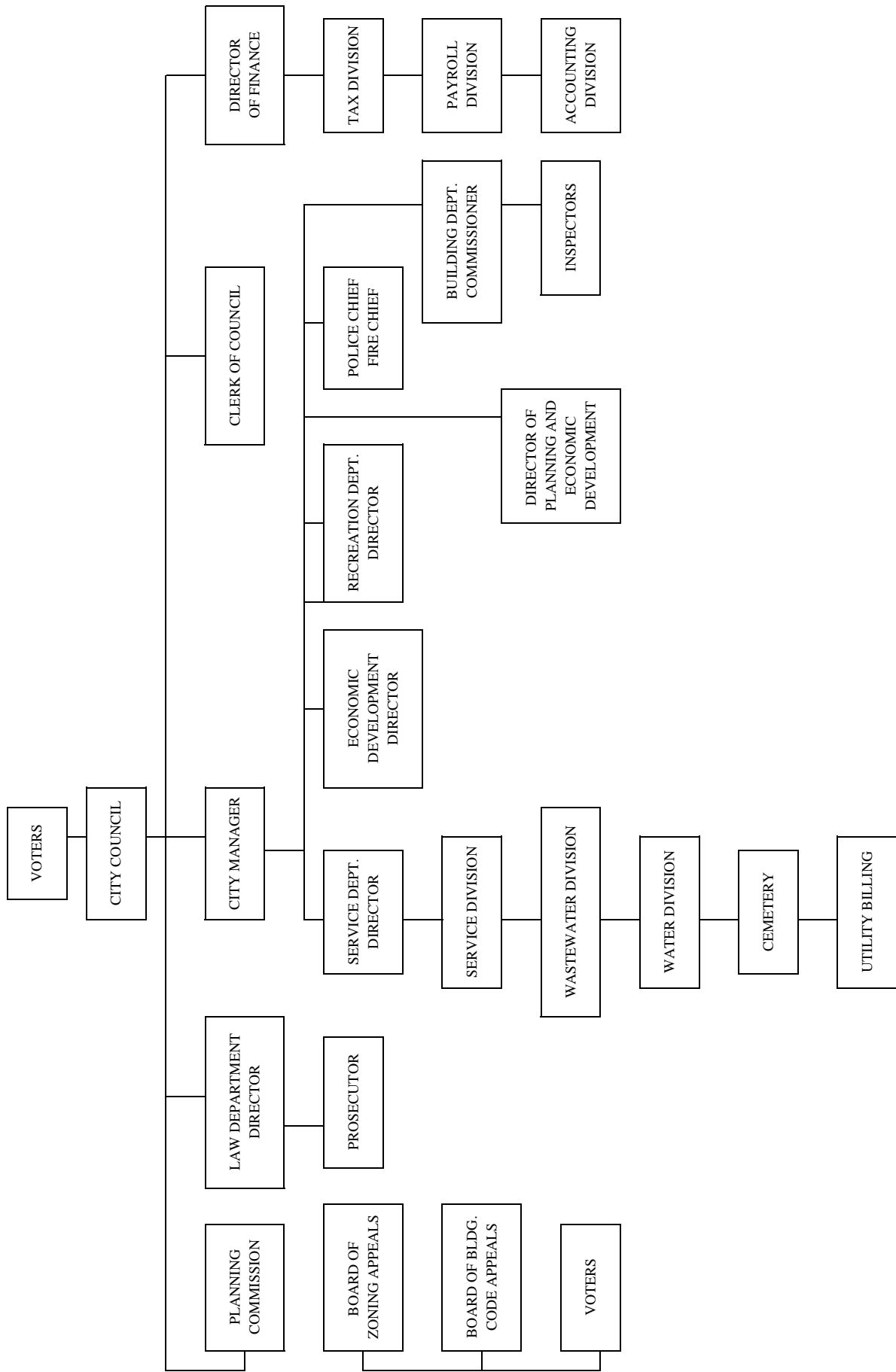
Mayor..... Dan Pocek
Vice Mayor Gregory E. Pozar
Council Member Paula Mizak
Council Member Donald A. Saunders
Council Member Marilyn B. Zolata
Council Member Stanley Koci
Council Member Warner Batten
Presiding Judge Peter J. Junkin
Municipal Judge..... Brian J. Melling

Appointed Officials

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

(1) Henry J. Angelo was appointed City Manager on March 15, 2010.

**ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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FINANCIAL

SECTION

FINANCIAL
SECTION



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Independent Auditors' Report

Members of the City Council
Bedford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Public Safety Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*; Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and Statement No. 58, *Accounting and Reporting for Chapter 9 Bankruptcies*.

Members of the City Council
Bedford, Ohio

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Cini & Paricki, Inc.

Cleveland, Ohio
June 17, 2010

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The discussion and analysis of the City of Bedford's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The City placed a 8.9 mill safety forces levy on the November 2009 ballot and this levy was overwhelmingly approved by the residents for the operation and upkeep of the City's police and fire departments. The departments continued their strong emphasis on the training of their personnel to maintain their proficiency and to keep up with the rapidly changing laws, practices and technology.
- During 2009, the City implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which recognizes constraints imposed upon the use of the resources in governmental funds and categorizes the constraints into five classifications.
- Total assets of the City of Bedford exceeded liabilities at the close of the most recent year (2009) by \$48,443,594 compared to \$52,023,367 at the end of 2008. Of this amount \$14,130,830 (2009) and \$15,208,977 (2008) 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 \$2,089,150, which represents a 5.6 percent decrease from 2008. Capital assets of business-type activities decreased \$153,407, which represents a 1.12 percent decrease from 2008. Overall capital assets decreased due to current year depreciation outpacing current year acquisitions. The City has an annual road program which entails major and minor resurfacing of the various streets as well as a crack sealing and concrete repairs program.
- Total current assets decreased by \$774,183 due to: less cash on hand, decreases in intergovernmental, special assessments, and income tax receivables. The decrease in total governmental revenues is attributable to a decrease in the business net profit taxes collected, a decline in State revenues due to the State of Ohio's budget problems and decreased interest income due to the overall economy.
- Total current liabilities is similar to 2008; however, the other liabilities (deferred revenue) increased by \$1,986,283 during the current year. The increase was due to the passing of the Safety forces levy in 2009 of 8.9 mills. The City is expected to receive \$2.3 million per year. Therefore, the deferred revenue increases significantly from this levy, as the taxes will be collected in 2010.
- The decrease in total governmental revenues is attributable to a decrease in the income tax on business net profits, a decline in State revenues due to the State of Ohio's budget problems and decreased interest income due to the overall economy.
- The City of Bedford's total debt decreased by \$1,460,935, during the current year. The key factors in this decrease were the payments of principal due on the OWDA loans and general obligation bonds.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

- The total municipal income tax revenues for all funds in 2009 were \$8,493,185, versus \$10,071,372 in 2008, and \$10,951,613 in 2007. This equates to a \$1,578,187 (15.67 percent) decrease in income tax revenue. On the cash basis of accounting, the municipal net profits income taxes paid by one of our largest taxpayers had decreased in 2009 by \$622,874 over 2008; and \$1,359,216 in 2008 over 2007 creating a total deficit each year thereafter, of \$1,982,000. This same taxpayer's, employee withholding tax payments, had increased to \$1,617,545 in 2009 from \$1,475,213, in 2008 which was a 9.65 percent increase. Therefore the 8.9 mills Safety Forces levy was afforded for passage to the taxpayers in 2009.
- The City is committed to providing the Citizens of Bedford with the highest quality of services while maintaining efficiency and cost effectiveness. Overall, governmental activities expenses decreased as a result of diligent financial management. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

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

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bedford, like other state

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bedford can be divided into three categories: governmental, proprietary and fiduciary funds.

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

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

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

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. GASB 54 was early implemented for the year 2009. Please see the notes to the basic financial statements concerning data reporting this change and the further clarification of fund balances. The notes to the basic financial statements can be found on pages 31 through 58 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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 59 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 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

The City of Bedford as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2009 compared to 2008.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$23,452,883	\$24,218,359	\$5,255,302	\$5,264,009	\$28,708,185	\$29,482,368
Capital Assets, Net	35,300,228	37,389,378	13,520,782	13,674,189	48,821,010	51,063,567
<i>Total Assets</i>	<i>58,753,111</i>	<i>61,607,737</i>	<i>18,776,084</i>	<i>18,938,198</i>	<i>77,529,195</i>	<i>80,545,935</i>
Liabilities						
Current and Other Liabilities	7,725,979	5,855,259	610,865	531,294	8,336,844	6,386,553
Long-Term Liabilities:						
Due Within One Year	1,026,279	1,019,753	1,165,551	1,092,416	2,191,830	2,112,169
Due in More than One Year	11,681,404	12,261,743	6,875,523	7,835,780	18,556,927	20,097,523
<i>Total Liabilities</i>	<i>\$20,433,662</i>	<i>\$19,136,755</i>	<i>\$8,651,939</i>	<i>\$9,459,490</i>	<i>\$29,085,601</i>	<i>\$28,596,245</i>

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

(Table 1)
 Net Assets (continued)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Net Assets						
Invested in Capital Assets						
Net of Debt	\$24,376,061	\$25,879,539	\$5,780,208	\$5,058,014	\$30,156,269	\$30,937,553
Restricted:						
Capital Projects	410,909	952,794	0	0	410,909	952,794
Debt Service	624,790	933,485	0	0	624,790	933,485
Municipal Courts	714,104	698,237	0	0	714,104	698,237
Fire	0	161,449	0	0	0	161,449
Streets	1,098,471	1,441,636	0	0	1,098,471	1,441,636
Community Development	182,258	366,176	0	0	182,258	366,176
Street Lighting	647,086	621,919	0	0	647,086	621,919
Other Purposes	478,877	720,655	0	0	478,877	720,655
Unrestricted	9,786,893	10,695,092	4,343,937	4,420,694	14,130,830	15,115,786
<i>Total Net Assets</i>	<u>\$38,319,449</u>	<u>\$42,470,982</u>	<u>\$10,124,145</u>	<u>\$9,478,708</u>	<u>\$48,443,594</u>	<u>\$51,949,690</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Bedford, total assets exceed total liabilities by \$51,949,690 at December 31, 2008 and \$48,443,594 at the close of the most recent year.

The largest portion of the City's net assets (62.3 percent) reflects "Investments in Capital Assets" (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by \$3,016,740 from 2008 to 2009, while the City's total liabilities increased by \$489,356. The most significant changes in total assets were the decrease in equity in pooled cash and cash equivalents of \$2,582,093, an increase in property taxes receivable of \$1,972,865, and an increase in assets held for resale of \$743,296. The reason for the increase in property taxes receivable was due to the Safety Levy as stated earlier. The income taxes receivable decreased as the City encountered more non-filers and more delinquent accounts; however, the City has continued new collection programs with success. The decrease in cash and cash equivalents was due to the decrease in the amount of municipal net profits taxes collected and therefore decreased the cash in accounts at year-end. Another item affecting the total assets was the accumulated depreciation on assets and the reduction of capital projects in 2009. The decrease in the long term liabilities was mainly due to the general obligation bonds and the OWDA loan payments in 2009.

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Most of this decrease in governmental net assets is due to the decrease in cash on hand. Due to the State of Ohio's budget problems, and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has increased the inheritance tax level of reporting for residents from \$25,000 to \$338,000. This has had and will have a future effect on the revenue stream in the City. This change in taxation has led to a loss of inheritance tax revenue yearly since 1999.

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 will phase out the reimbursements to the City over an eight year period. The State of Ohio will reimburse the City for the loss of tangible personal property taxes as a result of the changes in HB 66 within certain limitations. The City of Bedford's estimated loss after 4 years plus an estimated 8 year reduction in collection is expected to be \$626,000 each year.

The State of Ohio has also decreased the local government revenue funds sent to the cities by approximately 10 percent and has affected the City revenue by the amount of \$75,000 each year. The State of Ohio has also eliminated the exempt valuation portion of our personal property tax returns (\$10,000 per return) a loss of \$28,000 each year that was reimbursed by the State and paid to the City. The balance of the decrease in net assets is due to these cuts in revenue stream.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2009 and 2008.

(Table 2)
 Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	\$3,187,759	\$3,385,935	\$6,137,926	\$5,821,068	\$9,325,685	\$9,207,003
Operating Grants and Contributions	1,966,351	1,997,460	0	0	1,966,351	1,997,460
Capital Grants and Contributions	392	227,431	0	7,766	392	235,197
Total Program Revenues	5,154,502	5,610,826	6,137,926	5,828,834	11,292,428	11,439,660
General Revenues						
Property Taxes	3,284,180	3,316,901	0	0	3,284,180	3,316,901
Municipal Income Taxes	8,242,841	9,779,638	250,344	291,734	8,493,185	10,071,372
Grants and Entitlements not Restricted to Specific Programs	950,510	1,852,030	0	0	950,510	1,852,030
Investment Income	172,163	411,024	90,936	145,854	263,099	556,878
Gain on Sale of Capital Assets	145,395	114,650	0	0	145,395	114,650
Miscellaneous	311,302	237,977	45,058	30,342	356,360	268,319
Total General Revenues	13,106,391	15,712,220	386,338	467,930	13,492,729	16,180,150
Total Revenues	\$18,260,893	\$21,323,046	\$6,524,264	\$6,296,764	\$24,785,157	\$27,619,810

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

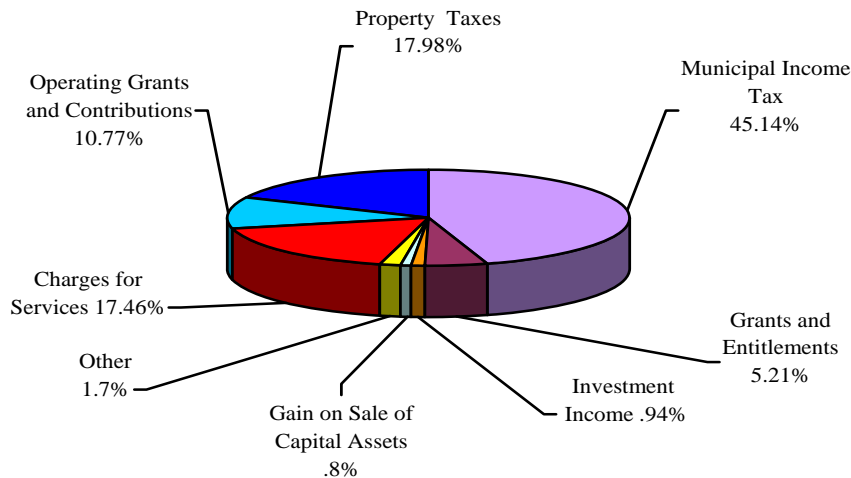
(Table 2)
 Changes in Net Assets (continued)

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Program Expenses						
General Government	\$4,928,374	\$5,323,310	\$0	\$0	\$4,928,374	\$5,323,310
Security of Persons and Property						
Police	5,359,101	5,446,671	0	0	5,359,101	5,446,671
Fire	3,598,515	4,097,079	0	0	3,598,515	4,097,079
Public Health and Welfare	166,753	221,252	0	0	166,753	221,252
Leisure Time Activities	1,386,520	1,503,009	0	0	1,386,520	1,503,009
Community Development	912,620	749,067	0	0	912,620	749,067
Basic Utility Services	1,046,474	1,027,983	0	0	1,046,474	1,027,983
Transportation	4,447,747	4,786,782	0	0	4,447,747	4,786,782
Interest and Fiscal Charges	566,322	592,927	0	0	566,322	592,927
Water	0	0	3,854,565	3,231,458	3,854,565	3,231,458
Wastewater	0	0	2,024,262	1,880,937	2,024,262	1,880,937
<i>Total Program Expenses</i>	<u>22,412,426</u>	<u>23,748,080</u>	<u>5,878,827</u>	<u>5,112,395</u>	<u>28,291,253</u>	<u>28,860,475</u>
Increase in Net Assets	(4,151,533)	(2,425,034)	645,437	1,184,369	(3,506,096)	(1,240,665)
Net Assets Beginning of Year	42,470,982	44,896,016	9,478,708	8,294,339	51,949,690	53,190,355
Net Assets End of Year	<u>\$38,319,449</u>	<u>\$42,470,982</u>	<u>\$10,124,145</u>	<u>\$9,478,708</u>	<u>\$48,443,594</u>	<u>\$51,949,690</u>

Governmental Activities

Governmental activities decreased the City's net assets from \$42,470,982 to \$38,319,449 or by the amount of \$4,151,533. The primary reason for the decrease in net assets relates to the decrease in revenues from municipal income, investment income and State collected taxes. Several types of revenues fund our governmental activities, with the City income tax being the largest contributor.

Revenues by Source - Governmental Activities



The income tax rate was 2.25 percent for 2009, 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

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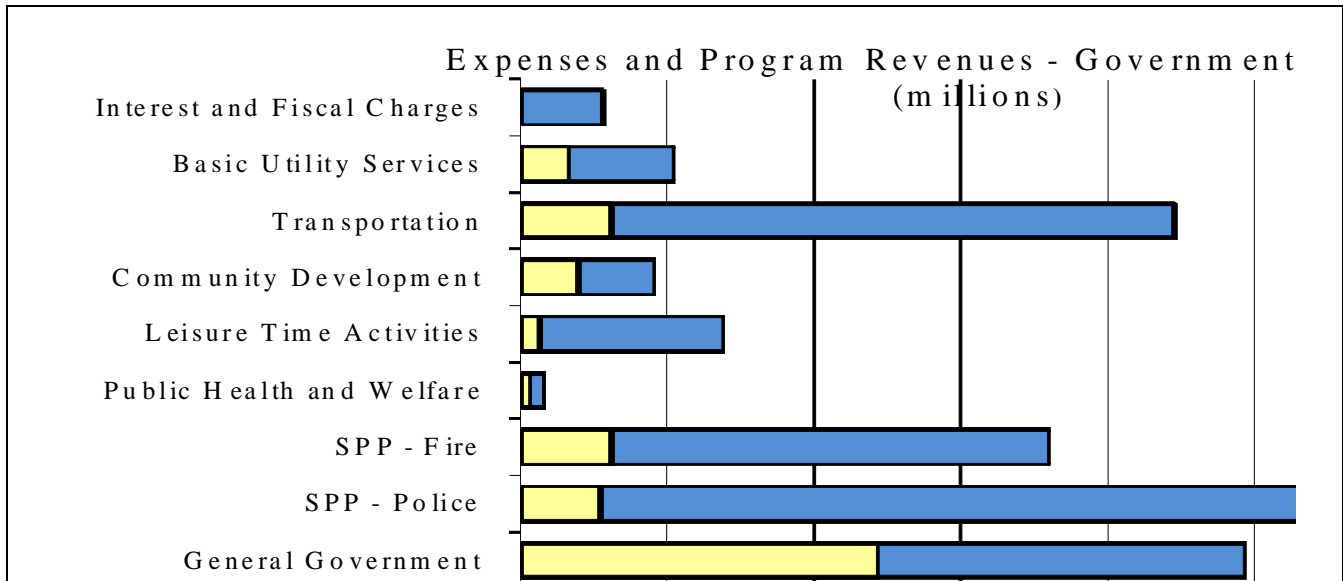
that income tax credit and create additional revenues for the City. Income tax collections (especially in net profit income taxes) were reduced significantly in 2009; the reasons for this were stated earlier.

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 non replacement of eleven employees leaving service as well as one layoff of a police officer. Most other expenses closely parallel inflation and growth in the demand for services. Increases were caused by a new refuse collection contract, and contracted wage increases along with the related pension costs and employee hospitalization costs. Decreased costs occurred due to less employees in the Police (4), Fire (2), Recreation (2), and Service (2) departments due to the hiring freeze and non-replacement of employees.

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2009, \$8,957,616 was spent or 39.97 percent of program expenses related to security of persons and property as similarly to 2008, when \$9,543,750 was spent or 40.19 percent. Due to the hiring freeze in 2009, three police officers retired were not replaced and one officer was laid off. The City has applied for Federal grants to replace these positions in 2010. The decrease in the fire expenses was due to the department staffing two less employees in 2009.

The second largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winter was hard in 2008 and 2009 which accounted for the higher spending on salt and more road repairs under the transportation expense type. The City maintains salt funding for two major winter storms at all times, however, in the 2008-2009 winter we could not get as much salt and the cost of acquiring salt went from \$41 per ton to \$85 per ton.



Business-Type Activities

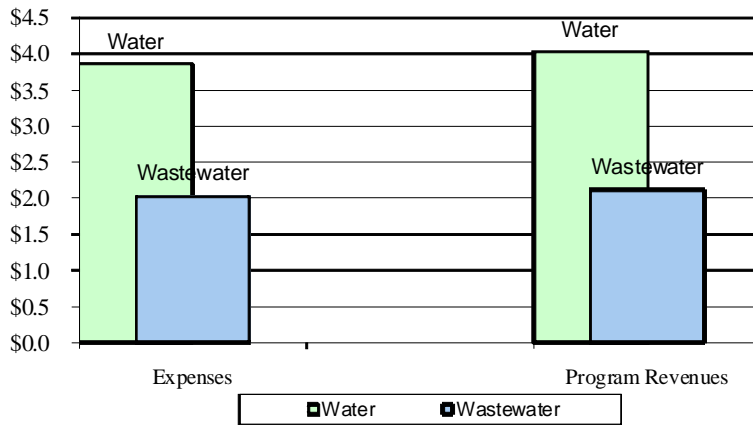
The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net assets by \$645,437. Program revenues were more than program expenses in the amount of \$166,393 for the water operations for 2009. This increase in net assets is due to rate increases, the collection

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of penalties and interest and water receivables. This revenue is classified as charges for services. The water rate increases of 4.88, 10.79, 10.91 and 3.0 percent went into effect 2007, 2008, 2009 and in 2010 respectively.

The City buys its water from the City of Cleveland and resells this water to the public. Therefore, any loss of water from various leaks resulted in a drop in billed consumption, and thus resulted in the City not receiving the full increases in charges for services. Program revenues were more than program expenses in the amount of \$92,706 for the wastewater operations for 2009. The wastewater fund was affected by the reduction in water consumption by our largest taxpayer and the recycling of their water usage. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels of non-payment. A 4 percent wastewater rate increase in 2009 was necessary to replenish the fund's operation costs. Total program revenues for wastewater operations recorded in 2009 were \$2,116,968 versus \$2,192,038 in 2008.

EXPENSES AND PROGRAM REVENUES
(in millions)



Financial Analysis of the Government's Funds

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

Governmental Funds

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

All governmental funds had total revenues of \$18,638,775 in 2009 and \$20,657,688 in 2008 and total expenditures of \$20,827,578 in 2009 and \$22,791,747 in 2008, leaving a difference of expenditures over revenues of (\$2,188,803) and (\$2,134,059) respectively. The most significant change in our funds from 2009 to 2008 was the decrease in municipal income tax revenue of \$872,437. The reasons for this decrease on a modified accrual basis of accounting were discussed earlier. The main decrease in expenses was in community development in 2009 the amount was reduced by \$816,464. This was due to fewer projects performed in 2009 with Community Development Block Grant funds. Capital outlay increased slightly in 2009 as the City is leveraging its costs of \$305,632 on the engineering of the Rockside Road resurfacing

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project. The State has agreed to pay the full construction costs of over \$3,900,000 towards the project. The City has applied for and received a State of Ohio Issue II grant representing one-half of the engineering costs \$152,816 (\$305,632 times 50 percent) of this project. The remaining 50 percent of engineering expenses are shared by the Cities of Maple Heights and Bedford Heights proportionately

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 \$8,665,215 compared to \$10,448,266 in 2008 of which \$8,431,130 in 2009 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. The 2009 unassigned fund balance represents 61.79 percent of total general fund expenditures, while total fund balances represents 63.51 percent. The unassigned fund balance will cover 226 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 decreased by \$1,783,051. The decrease in the general fund balance is due to the decrease in the income tax revenue. The income tax revenue in the general fund for 2009 was \$7,901,941 and was \$8,720,456 in 2008. The transfers out of \$3,214,833 was less than the \$4,559,890 in 2008. These transfers are identified in the Notes to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2009 was \$278,583. This fund accounts for the City's police and fire departments. The general fund transferred funds to cover the costs of other operations and capital project costs in 2009.

Other Governmental Funds had a decrease in fund balance as 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 2009, 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 \$17,408,679. The final budgeted revenue amount was \$16,204,824. The general fund's original appropriations were budgeted at \$15,277,840. The final budgeted appropriations were \$14,983,906. The City of Bedford's ending unencumbered cash balance in the general fund was \$368,223 above the final budgeted amount.

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

- The most significant change was the decrease in municipal income tax collections from net profits tax. This revenue source decreased due to the largest taxpayer reduced net profits in 2009, thereby reducing the budgeted revenues for 2009.

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- ❑ The police department left unspent \$209,842 (4.64 percent) in anticipated expenditures in 2009.
- ❑ The service department had unspent \$105,832 (6.25 percent) of expenditures versus final budgeted amounts.
- ❑ The transfers out to other funds had unspent \$359,403 (7.16 percent) of expenditures versus final budgeted amounts due to less money being needed to support programs in other funds.

Actual expenditures were \$1,250,481 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	
	2009	2008	2009	2008	2009	2008
Land	\$2,908,079	\$2,925,079	\$28,620	\$28,620	\$2,936,699	\$2,953,699
Construction in Progress	370,041	283,293	0	0	370,041	283,293
Buildings and Improvements	14,981,587	14,986,786	6,866,762	7,026,257	21,848,349	22,013,043
Machinery and Equipment	1,213,015	1,315,194	152,522	171,255	1,365,537	1,486,449
Furniture and Fixtures	133,734	74,511	0	0	133,734	74,511
Vehicles	1,205,952	1,429,786	170,489	180,274	1,376,441	1,610,060
Infrastructure	14,487,820	16,374,728	6,302,389	6,267,783	20,790,209	22,642,511
Total	\$35,300,228	\$37,389,377	\$13,520,782	\$13,674,189	\$48,821,010	\$51,063,566

Total capital assets decreased \$2,242,556 in 2009. Decreases in many capital asset categories occurred in 2009 mostly due to depreciation expense for both types of assets in the amount of \$3,256,476. The most significant decrease in our capital assets was in the categories of roads and buildings and improvements in the governmental type activities. The City reduced construction costs of the road program in 2009.

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

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Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$10,341,088	\$10,861,303	\$1,919,317	\$2,145,609	\$12,260,405	\$13,006,912
Special Assessment Bonds	370,000	430,000	0	0	370,000	430,000
OPWC Loans	385,388	433,577	1,243,417	1,210,512	1,628,805	1,644,089
OWDA Loans	0	0	4,729,073	5,442,910	4,729,073	5,442,910
Police Pension	190,131	194,216	0	0	190,131	194,216
Capital Leases	31,102	42,712	0	0	31,102	42,712
Compensated Absences	1,389,974	1,319,688	149,267	129,165	1,539,241	1,448,853
Total	\$12,707,683	\$13,281,496	\$8,041,074	\$8,928,196	\$20,748,757	\$22,209,692

The general obligation bonds are composed of the 2006 advanced refunding issues for the following: (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. In addition to the refunding issue state above, the City issued general obligation bonds in the amount of \$1,900,000. The cash flow savings and net present value savings from the advance refunded issues were \$301,133 and \$257,472 respectively. The last time the City issued general obligation bonded debt was in 2006 for the amount of \$9.9 million.

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

There are two OPWC loans that are being paid semi-annually from the debt service fund and funded by general fund revenues. These two loans are zero interest 20-year loans for 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, 2009 the balance was \$190,131.

The Business-type debt consisted of the following:

The general obligation bonds are composed of the 2006 advance refunding issue of the (1) a sewer improvement bond issued in 2002; (2) the refunding bonds issued in 2002 to pay off the water system mortgage revenue bonds outstanding from the 1991 issue – this new issue is to be repaid from the water rates and water bill collections; 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. This new 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

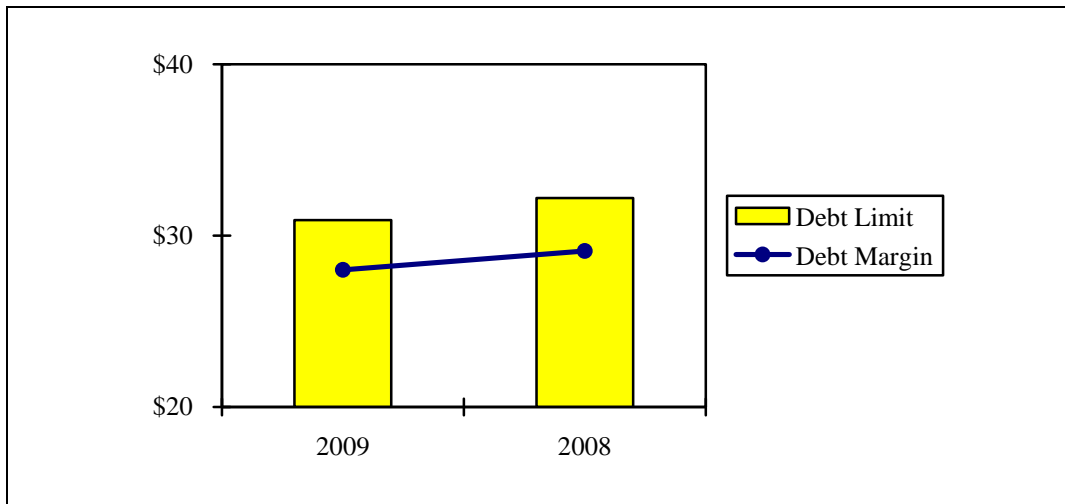
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street, Tinkers Creek Commerce Park and Forbes Road water line. The amount of \$646,000 out of the \$1,900,000 2006 new money issue was for these water lines.

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

Most of the City's OWDA loans were to refinance previously issued Wastewater Plant improvement bond issues prior to 1994. The loan is for 20 years at 4.80 percent. The amount outstanding from this loan as of December 31, 2009 is \$3,103,462.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin decreased to \$28.0 million. This is the additional amount of debt the City could issue. The debt margin decreased \$1.1 million from 2008 to 2009 due to decreasing property valuations offset by the City paying down current debt.



The City continues to monitor its outstanding debt. Information relative to debt is identified in Note 13 to the basic financial statements.

Current Financial Related Activities

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

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The City of Bedford is financially strong as evidenced by Moody's Investors Service's April 26 2010 recalibration of our A1 rating now placed at a Aa2 and Standard and Poor's upgrade in 2006 to AA- from our A+ rating in 2005. Standard & Poor's performed a cursory update and maintained our rating of AA- at the end of 2008.

In conclusion, the City of Bedford is in a period posing both significant challenges and opportunities. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

Contacting the City's Finance Department

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

City of Bedford, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$11,713,071	\$3,730,268	\$15,443,339
Accounts Receivable	116,400	1,211,863	1,328,263
Accrued Interest Receivable	48,447	0	48,447
Intergovernmental Receivable	1,214,837	0	1,214,837
Internal Balances	(2,773)	2,773	0
Income Taxes Receivable	2,536,044	0	2,536,044
Materials and Supplies Inventory	163,692	163,964	327,656
Prepaid Items	12,770	0	12,770
Loans Receivable	100,000	0	100,000
Property Taxes Receivable	5,609,009	0	5,609,009
Special Assessments Receivable	994,679	0	994,679
Unamortized Bond Issuance Costs	203,411	146,434	349,845
Assets Held for Resale	743,296	0	743,296
Nondepreciable Capital Assets	3,278,120	28,620	3,306,740
Depreciable Capital Assets, Net	32,022,108	13,492,162	45,514,270
<i>Total Assets</i>	<u>58,753,111</u>	<u>18,776,084</u>	<u>77,529,195</u>
Liabilities			
Accounts Payable	256,842	329,250	586,092
Accrued Wages	328,908	39,210	368,118
Intergovernmental Payable	519,651	36,405	556,056
Vacation Benefits Payable	716,314	88,190	804,504
Claims Payable	160,767	0	160,767
Deferred Revenue	5,703,301	0	5,703,301
Accrued Interest Payable	40,196	117,810	158,006
Long-Term Liabilities:			
Due Within One Year	1,026,279	1,165,551	2,191,830
Due In More Than One Year	11,681,404	6,875,523	18,556,927
<i>Total Liabilities</i>	<u>20,433,662</u>	<u>8,651,939</u>	<u>29,085,601</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	24,376,061	5,780,208	30,156,269
Restricted for:			
Capital Projects	410,909	0	410,909
Debt Service	624,790	0	624,790
Municipal Courts	714,104	0	714,104
Streets	1,098,471	0	1,098,471
Community Development	201,776	0	201,776
Street Lighting	647,086	0	647,086
Other Purposes	459,359	0	459,359
Unrestricted	9,786,893	4,343,937	14,130,830
<i>Total Net Assets</i>	<u>\$38,319,449</u>	<u>\$10,124,145</u>	<u>\$48,443,594</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$4,928,374	\$1,934,236	\$501,895	\$0
Security of Persons and Property				
Police	5,359,101	65,680	478,920	0
Fire	3,598,515	397,435	221,427	0
Public Health and Welfare	166,753	45,060	23,293	0
Leisure Time Activities	1,386,520	126,569	7,500	0
Community Development	912,620	284,584	113,029	0
Basic Utility Services	1,046,474	334,195	0	0
Transportation	4,447,747	0	620,287	392
Interest and Fiscal Charges	566,322	0	0	0
<i>Total Governmental Activities</i>	<u>22,412,426</u>	<u>3,187,759</u>	<u>1,966,351</u>	<u>392</u>
Business-Type Activities				
Water	3,854,565	4,020,958	0	0
Wastewater	2,024,262	2,116,968	0	0
<i>Total Business-Type Activities</i>	<u>5,878,827</u>	<u>6,137,926</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$28,291,253</u>	<u>\$9,325,685</u>	<u>\$1,966,351</u>	<u>\$392</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

 Wastewater

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,492,243)	\$0	(\$2,492,243)
(4,814,501)	0	(4,814,501)
(2,979,653)	0	(2,979,653)
(98,400)	0	(98,400)
(1,252,451)	0	(1,252,451)
(515,007)	0	(515,007)
(712,279)	0	(712,279)
(3,827,068)	0	(3,827,068)
(566,322)	0	(566,322)
(17,257,924)	0	(17,257,924)
0	166,393	166,393
0	92,706	92,706
0	259,099	259,099
(17,257,924)	259,099	(16,998,825)
2,340,611	0	2,340,611
943,569	0	943,569
7,616,052	0	7,616,052
626,789	0	626,789
0	250,344	250,344
950,510	0	950,510
172,163	90,936	263,099
145,395	0	145,395
311,302	45,058	356,360
13,106,391	386,338	13,492,729
(4,151,533)	645,437	(3,506,096)
42,470,982	9,478,708	51,949,690
\$38,319,449	\$10,124,145	\$48,443,594

City of Bedford, Ohio

Balance Sheet

Governmental Funds

December 31, 2009

	<u>General</u>	<u>Public Safety</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,199,742	\$659,284	\$3,464,098	\$11,323,124
Property Taxes Receivable	2,429,722	3,179,287	0	5,609,009
Income Taxes Receivable	2,536,044	0	0	2,536,044
Accounts Receivable	113,411	0	2,989	116,400
Intergovernmental Receivable	592,252	94,654	526,328	1,213,234
Interfund Receivable	830,000	0	14,937	844,937
Accrued Interest Receivable	43,716	0	4,731	48,447
Materials and Supplies Inventory	154,183	9,509	0	163,692
Prepaid Items	12,770	0	0	12,770
Loans Receivable	0	0	100,000	100,000
Special Assessments Receivable	0	0	994,679	994,679
Assets Held for Resale	0	0	743,296	743,296
<i>Total Assets</i>	<u>\$13,911,840</u>	<u>\$3,942,734</u>	<u>\$5,851,058</u>	<u>\$23,705,632</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$164,340	\$20,382	\$70,872	\$255,594
Accrued Wages	249,355	73,878	5,675	328,908
Intergovernmental Payable	218,157	295,950	5,544	519,651
Claims Payable	106	0	0	106
Interfund Payable	14,937	0	830,000	844,937
Deferred Revenue	4,599,730	3,273,941	1,517,322	9,390,993
<i>Total Liabilities</i>	<u>5,246,625</u>	<u>3,664,151</u>	<u>2,429,413</u>	<u>11,340,189</u>
Fund Balances				
Nonspendable	166,953	9,509	117,842	294,304
Restricted	0	269,074	2,999,828	3,268,902
Committed	517	0	6,158	6,675
Assigned	66,615	0	297,817	364,432
Unassigned	8,431,130	0	0	8,431,130
<i>Total Fund Balances</i>	<u>8,665,215</u>	<u>278,583</u>	<u>3,421,645</u>	<u>12,365,443</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,911,840</u>	<u>\$3,942,734</u>	<u>\$5,851,058</u>	<u>\$23,705,632</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2009*

Total Governmental Fund Balances	\$12,365,443
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	35,300,228
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	\$213,708
Income Taxes	1,703,830
Charges for Services	66,276
Special Assessments	994,679
Intergovernmental	<u>709,199</u>

Total	3,687,692
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An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

Net Assets	229,641
Internal Balances	<u>(2,773)</u>

Total	226,868
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In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	203,411
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(40,196)
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Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(716,314)
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Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(10,341,088)
Special Assessment Bonds	(370,000)
OPWC Loans	(385,388)
Police Liability	(190,131)
Capital Leases	(31,102)
Compensated Absences	<u>(1,389,974)</u>

Total	<u>(12,707,683)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$38,319,449</u></u>
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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, 2009

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$2,425,077	\$886,481	\$0	\$3,311,558
Municipal Income Taxes	7,901,941	0	626,789	8,528,730
Charges for Services	1,027,866	0	1,900	1,029,766
Fees, Licenses and Permits	162,368	85	0	162,453
Fines and Forfeitures	1,466,843	0	279,254	1,746,097
Intergovernmental	1,632,489	225,150	1,050,792	2,908,431
Special Assessments	0	0	425,542	425,542
Contributions and Donations	0	0	40,855	40,855
Interest	61,717	13,974	82,870	158,561
Rentals	15,480	0	0	15,480
Other	157,457	0	153,845	311,302
<i>Total Revenues</i>	<u>14,851,238</u>	<u>1,125,690</u>	<u>2,661,847</u>	<u>18,638,775</u>
Expenditures				
Current:				
General Government	4,616,724	0	35,490	4,652,214
Security of Persons and Property:				
Police	4,297,973	446,981	520,273	5,265,227
Fire	118,978	3,296,333	6,117	3,421,428
Public Health and Welfare	161,399	0	400	161,799
Leisure Time Activities	1,297,948	0	15,103	1,313,051
Community Development	833,034	0	78,748	911,782
Basic Utility Services	728,170	0	318,304	1,046,474
Transportation	1,565,493	0	796,855	2,362,348
Capital Outlay	0	0	534,808	534,808
Debt Service:				
Principal Retirement	15,695	0	649,389	665,084
Interest and Fiscal Charges	8,481	0	484,882	493,363
<i>Total Expenditures</i>	<u>13,643,895</u>	<u>3,743,314</u>	<u>3,440,369</u>	<u>20,827,578</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,207,343</u>	<u>(2,617,624)</u>	<u>(778,522)</u>	<u>(2,188,803)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	20,986	0	126,684	147,670
Gain on Sale of Assets	3,453	0	33,271	36,724
Transfers In	200,000	2,605,833	748,315	3,554,148
Transfers Out	(3,214,833)	0	(339,315)	(3,554,148)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,990,394)</u>	<u>2,605,833</u>	<u>568,955</u>	<u>184,394</u>
<i>Net Change in Fund Balances</i>	(1,783,051)	(11,791)	(209,567)	(2,004,409)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>10,448,266</u>	<u>290,374</u>	<u>3,631,212</u>	<u>14,369,852</u>
<i>Fund Balances End of Year</i>	<u>\$8,665,215</u>	<u>\$278,583</u>	<u>\$3,421,645</u>	<u>\$12,365,443</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, 2009*

Net Change in Fund Balances - Total Governmental Funds (\$2,004,409)

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

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

Capital Outlay	\$828,188	
Depreciation	(2,876,766)	
Total		(2,048,578)

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. (40,572)

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

Property Taxes	(27,378)	
Income Taxes	(285,889)	
Charges for Services	(100,232)	
Special Assessments	(91,347)	
Intergovernmental	(32,033)	
Total		(536,879)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 665,084

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

Accrued Interest on Bonds	2,368	
Amortization of Premium	2,862	
Amortization of Discount	(2,589)	
Amortization of Loss on Refunding	(21,258)	
Amortization of Issuance Costs	(54,342)	
Totals		(72,959)

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

Compensated Absences	(70,286)	
Vacation Benefits Payable	(5,899)	
Total		(76,185)

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

Change in Net Assets	(42,438)	
Change in Internal Balance	5,403	
Total		(37,035)

Change in Net Assets of Governmental Activities (\$4,151,533)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,554,939	\$2,554,939	\$2,425,077	(\$129,862)
Municipal Income Taxes	9,797,501	8,343,401	7,894,494	(448,907)
Charges for Services	784,593	849,593	1,025,547	175,954
Fees, Licenses and Permits	266,050	266,050	158,847	(107,203)
Fines and Forfeitures	1,430,480	1,430,480	1,478,807	48,327
Intergovernmental	2,132,610	2,099,147	1,906,517	(192,630)
Interest	404,000	304,000	61,871	(242,129)
Rentals	17,980	17,980	15,480	(2,500)
Other	20,526	339,234	269,306	(69,928)
<i>Total Revenues</i>	17,408,679	16,204,824	15,235,946	(968,878)
Expenditures				
Current:				
General Government	5,152,321	5,106,027	4,626,536	479,491
Security of Persons and Property:				
Police	4,781,423	4,526,562	4,316,719	209,843
Fire	219,791	256,173	149,066	107,107
Public Health and Welfare	180,412	179,473	162,304	17,169
Leisure Time Activities	1,540,203	1,535,381	1,301,479	233,902
Community Development	905,509	907,363	859,280	48,083
Basic Utility Services	765,000	779,801	730,747	49,054
Transportation	1,733,181	1,693,126	1,587,294	105,832
<i>Total Expenditures</i>	15,277,840	14,983,906	13,733,425	1,250,481
<i>Excess of Revenues Over Expenditures</i>	2,130,839	1,220,918	1,502,521	281,603
Other Financing Sources (Uses)				
Sale of Capital Assets	137,524	137,524	130,986	(6,538)
Advances In	83,341	200,000	100,000	(100,000)
Advances Out	(221,262)	(627,921)	(620,000)	7,921
Transfers In	164,166	864,166	200,000	(664,166)
Transfers Out	(3,689,905)	(4,064,236)	(3,214,833)	849,403
<i>Total Other Financing Sources (Uses)</i>	(3,526,136)	(3,490,467)	(3,403,847)	86,620
<i>Net Change in Fund Balance</i>	(1,395,297)	(2,269,549)	(1,901,326)	368,223
<i>Fund Balance Beginning of Year</i>	8,818,197	8,818,197	8,818,197	0
Prior Year Encumbrances Appropriated	103,200	103,200	103,200	0
<i>Fund Balance End of Year</i>	\$7,526,100	\$6,651,848	\$7,020,071	\$368,223

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$795,668	\$910,998	\$886,481	(\$24,517)
Fees, Licenses and Permits	2,510	2,510	85	(2,425)
Intergovernmental	331,125	282,822	272,937	(9,885)
Interest	13,000	1,950	13,974	12,024
Other	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	1,143,303	1,199,280	1,173,477	(25,803)
Expenditures				
Current:				
Security of Persons and Property:				
Police	513,530	513,530	463,690	49,840
Fire	3,555,828	3,484,868	3,306,479	178,389
<i>Total Expenditures</i>	4,069,358	3,998,398	3,770,169	228,229
<i>Excess of Revenues Under Expenditures</i>	(2,926,055)	(2,799,118)	(2,596,692)	202,426
Other Financing Sources				
Sale of Capital Assets	0	1,833	0	(1,833)
Transfers In	2,805,000	2,765,000	2,605,833	(159,167)
<i>Total Other Financing Sources</i>	2,805,000	2,766,833	2,605,833	(161,000)
<i>Net Change in Fund Balance</i>	(121,055)	(32,285)	9,141	41,426
<i>Fund Balance Beginning of Year</i>	603,430	603,430	603,430	0
Prior Year Encumbrances Appropriated	21,378	21,378	21,378	0
<i>Fund Balance End of Year</i>	\$503,753	\$592,523	\$633,949	\$41,426

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Enterprise			Internal Service
	Water	Wastewater	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$2,017,422	\$1,712,846	\$3,730,268	\$389,947
Receivables:				
Accounts	790,065	421,798	1,211,863	0
Intergovernmental	0	0	0	1,603
Materials and Supplies Inventory	102,569	61,395	163,964	0
<i>Total Current Assets</i>	<u>2,910,056</u>	<u>2,196,039</u>	<u>5,106,095</u>	<u>391,550</u>
<i>Noncurrent Assets</i>				
Unamortized Bond Issuance Costs	93,226	53,208	146,434	0
Nondepreciable Capital Assets	0	28,620	28,620	0
Depreciable Capital Assets, Net	3,986,863	9,505,299	13,492,162	0
<i>Total Noncurrent Assets</i>	<u>4,080,089</u>	<u>9,587,127</u>	<u>13,667,216</u>	<u>0</u>
<i>Total Assets</i>	<u>6,990,145</u>	<u>11,783,166</u>	<u>18,773,311</u>	<u>391,550</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	289,625	39,625	329,250	1,248
Accrued Wages	14,792	24,418	39,210	0
Intergovernmental Payable	13,604	22,801	36,405	0
Vacation Benefits Payable	31,214	56,976	88,190	0
Compensated Absences Payable	3,902	27,613	31,515	0
Accrued Interest Payable	4,661	113,149	117,810	0
General Obligation Bonds Payable	203,800	30,000	233,800	0
OPWC Loans Payable	20,000	55,294	75,294	0
OWDA Loans Payable	0	824,942	824,942	0
Claims Payable	0	0	0	160,661
<i>Total Current Liabilities</i>	<u>581,598</u>	<u>1,194,818</u>	<u>1,776,416</u>	<u>161,909</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	51,750	66,002	117,752	0
General Obligation Bonds Payable	1,171,098	514,418	1,685,516	0
OPWC Loans Payable	370,000	798,124	1,168,124	0
OWDA Loans Payable	0	3,904,131	3,904,131	0
<i>Total Long-Term Liabilities</i>	<u>1,592,848</u>	<u>5,282,675</u>	<u>6,875,523</u>	<u>0</u>
<i>Total Liabilities</i>	<u>2,174,446</u>	<u>6,477,493</u>	<u>8,651,939</u>	<u>161,909</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	2,318,966	3,461,242	5,780,208	0
Unrestricted	2,496,733	1,844,431	4,341,164	229,641
<i>Total Net Assets</i>	<u>\$4,815,699</u>	<u>\$5,305,673</u>	10,121,372	<u>\$229,641</u>

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

	<u>2,773</u>
Net assets of business-type activities	<u>\$10,124,145</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009*

	Enterprise			Internal Service
	Water	Wastewater	Total	
Operating Revenues				
Charges for Services	\$4,020,958	\$2,116,968	\$6,137,926	\$2,120,846
Other	45,058	0	45,058	0
<i>Total Operating Revenues</i>	<u>4,066,016</u>	<u>2,116,968</u>	<u>6,182,984</u>	<u>2,120,846</u>
Operating Expenses				
Personal Services	550,741	966,982	1,517,723	0
Contractual Services	3,034,565	79,422	3,113,987	361,851
Materials and Supplies	101,159	320,440	421,599	0
Depreciation	82,363	297,347	379,710	0
Claims	0	0	0	1,815,035
Other	956	8,460	9,416	0
<i>Total Operating Expenses</i>	<u>3,769,784</u>	<u>1,672,651</u>	<u>5,442,435</u>	<u>2,176,886</u>
<i>Operating Income (Loss)</i>	<u>296,232</u>	<u>444,317</u>	<u>740,549</u>	<u>(56,040)</u>
Non-Operating Revenues (Expenses)				
Interest	56,282	34,654	90,936	13,602
Municipal Income Taxes	0	250,344	250,344	0
Interest and Fiscal Charges	(82,816)	(348,173)	(430,989)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(26,534)</u>	<u>(63,175)</u>	<u>(89,709)</u>	<u>13,602</u>
<i>Change in Net Assets</i>	269,698	381,142	650,840	(42,438)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>4,546,001</u>	<u>4,924,531</u>		<u>272,079</u>
<i>Net Assets End of Year</i>	<u><u>\$4,815,699</u></u>	<u><u>\$5,305,673</u></u>		<u><u>\$229,641</u></u>

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

(5,403)

Change in net assets of business-type activities

\$645,437

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Enterprise			Internal Service
	Water	Wastewater	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,971,824	\$2,104,828	\$6,076,652	\$0
Cash Received from Interfund Services Provided	0	0	0	2,119,243
Other Cash Receipts	45,058	0	45,058	0
Cash Payments to Employees for Services	(526,310)	(956,792)	(1,483,102)	(360,603)
Cash Payments for Goods and Services	(3,072,659)	(399,644)	(3,472,303)	0
Cash Payments for Claims	0	0	0	(1,846,938)
Other Cash Payments	(956)	(8,460)	(9,416)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>416,957</u>	<u>739,932</u>	<u>1,156,889</u>	<u>(88,298)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from Municipal Income Taxes	<u>0</u>	<u>250,344</u>	<u>250,344</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from OPWC Loans	93,191	0	93,191	0
Principal Paid on General Obligation Bonds	(198,800)	(35,000)	(233,800)	0
Interest Paid on General Obligation Bonds	(62,748)	(24,531)	(87,279)	0
Principal Paid on OWDA Loans	0	(787,599)	(787,599)	0
Interest Paid on OWDA Loans	0	(250,222)	(250,222)	0
Principal Paid on OPWC Loans	(10,000)	(50,285)	(60,285)	0
Payments for Capital Acquisitions	(171,386)	(54,917)	(226,303)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(349,743)</u>	<u>(1,202,554)</u>	<u>(1,552,297)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	<u>56,282</u>	<u>37,457</u>	<u>93,739</u>	<u>13,602</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	123,496	(174,821)	(51,325)	(74,696)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,893,926</u>	<u>1,887,667</u>	<u>3,781,593</u>	<u>464,643</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,017,422</u>	<u>\$1,712,846</u>	<u>\$3,730,268</u>	<u>\$389,947</u>

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2009

	Enterprise			Internal Service
	Water	Wastewater	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$296,232	\$444,317	\$740,549	(\$56,040)
Adjustments:				
Depreciation	82,363	297,347	379,710	0
Increase in Assets:				
Accounts Receivable	(49,134)	(12,140)	(61,274)	0
Intergovernmental Receivable	0	0	0	(1,603)
Materials and Supplies Inventory	(7,820)	(13,083)	(20,903)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	70,885	13,301	84,186	1,248
Accrued Wages	2,780	3,967	6,747	0
Compensated Absences Payable	20,498	(396)	20,102	0
Vacation Benefits Payable	638	4,918	5,556	0
Intergovernmental Payable	515	1,701	2,216	0
Claims Payable	0	0	0	(31,903)
<i>Total Adjustments</i>	<u>120,725</u>	<u>295,615</u>	<u>416,340</u>	<u>(32,258)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$416,957</u>	<u>\$739,932</u>	<u>\$1,156,889</u>	<u>(\$88,298)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	\$64
Cash and Cash Equivalents in Segregated Accounts	<u>161,324</u>
<i>Total Assets</i>	<u><u>\$161,388</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$161,388</u></u>

See accompanying notes to the basic financial statements

NOTES TO
BASIC
FINANCIAL
STATEMENTS



City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

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

Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Bedford, Ohio
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For the Year Ended December 31, 2009

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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".

During 2009, investments were limited to repurchase agreements, nonnegotiable certificates of deposit, federal home loan bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, federal farm credit bank notes and STAROhio, the State Treasurer's Investment Pool.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2009 amounted to \$61,717, of which \$964 was assigned from other funds.

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

Materials and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009 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 inventory consisting of homes purchased and repaired which will be resold under the Community Development in-fill housing project.

Capital Assets

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

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

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

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

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

Interfund Balances

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

Compensated Absences

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

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
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Accrued Liabilities and Long-term Obligations

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

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

Net Assets

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

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

Fund Balance

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

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

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

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.

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

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

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 balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Operating Revenues and Expenses

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

Bond Issuance Costs

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

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

City of Bedford, Ohio
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For the Year Ended December 31, 2009

Deferred Loss on Refunding

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

Bond Premiums and Discounts

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

Interfund Activity

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

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

Extraordinary and Special Items

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

Estimates

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

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

City of Bedford, Ohio
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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 – Changes in Accounting Principles and Restatement of Prior Year's Fund Balance

Changes in Accounting Principles

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification and restatement of the City's financial statements.

City of Bedford, Ohio
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GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Restatement of Prior Year's Fund Balance

At December 31, 2008, it was determined that assets held for resale and intergovernmental receivables were recorded incorrectly for governmental activities. This restatement and the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General Fund	Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance at				
December 31, 2008	\$9,486,779	\$218,369	\$4,430,763	\$14,135,911
Assets held for Resale	0	0	233,941	233,941
Intergovernmental Receivable	0	47,787	(47,787)	0
Change in Fund Structure	961,487	24,218	(985,705)	0
Adjusted Fund Balance at				
December 31, 2008	<u>\$10,448,266</u>	<u>\$290,374</u>	<u>\$3,631,212</u>	<u>\$14,369,852</u>

City of Bedford, Ohio
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As a result of these restatements, net assets for governmental activities increased \$19,514 from \$42,451,468 to \$42,470,982 as of December 31, 2008.

An overstatement of intergovernmental receivables had the following effect on net assets of business-type activities as were they were previously reported.

	Water	Wastewater	Total Business-type Funds	Internal Service
Fund Balance at December 31, 2008	\$4,546,001	\$5,017,722	\$9,563,723	\$272,079
Intergovernmental Receivable	0	(93,191)	(93,191)	0
Adjusted Fund Balance at December 31, 2008	<u>\$4,546,001</u>	<u>\$4,924,531</u>	<u>\$9,470,532</u>	<u>\$272,079</u>

Note 4 – Fund Balances

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

Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>				
Loans Receivable	\$0	\$0	\$75,000	\$75,000
Prepays	12,770	0	0	12,770
Inventory	154,183	9,509	0	163,692
Cemetery Endowments	0	0	42,842	42,842
<i>Total Nonspendable</i>	<u>\$166,953</u>	<u>\$9,509</u>	<u>\$117,842</u>	<u>\$294,304</u>

City of Bedford, Ohio
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Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Restricted for:</u>				
Public Safety	\$0	\$269,074	\$0	\$269,074
Community Development	0	0	100,871	100,871
State Highway	0	0	201,723	201,723
Indigent Drivers	0	0	100,011	100,011
Seale Narcotics	0	0	201,840	201,840
Enforcement and Education	0	0	678	678
Street Lighting	0	0	308,546	308,546
Street Construction, Maintenance and Repair	0	0	500,636	500,636
Law Enforcement Trust	0	0	33,813	33,813
Motor Vehicle	0	0	193,257	193,257
Grants	0	0	73,998	73,998
Housing Rehabilitation	0	0	100,905	100,905
Municipal Court Special Programs	0	0	714,104	714,104
Indigent Interlock	0	0	6,177	6,177
Debt service payments	0	0	52,360	52,360
Capital Improvements	0	0	410,909	410,909
<i>Total Restricted</i>	<u>0</u>	<u>269,074</u>	<u>2,999,828</u>	<u>3,268,902</u>
<u>Committed to:</u>				
Capital Improvements	0	0	6,158	6,158
Other Purposes	517	0	0	517
<i>Total Committed</i>	<u>517</u>	<u>0</u>	<u>6,158</u>	<u>6,675</u>
<u>Assigned to:</u>				
Capital Improvements	0	0	297,817	297,817
Other Purposes	66,615	0	0	66,615
<i>Total Assigned</i>	<u>66,615</u>	<u>0</u>	<u>297,817</u>	<u>364,432</u>
Unassigned	8,431,130	0	0	8,431,130
Total Fund Balances	<u><u>\$8,665,215</u></u>	<u><u>\$278,583</u></u>	<u><u>\$3,421,645</u></u>	<u><u>\$12,365,443</u></u>

City of Bedford, Ohio
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Note 5- Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balances		
General and Public Safety Special Revenue Funds		
	General	Public Safety
GAAP Basis	(\$1,783,051)	(\$11,791)
Net Adjustment for Revenue Accruals	413,411	47,787
Beginning Fair Value of Adjustments for Investments	55,721	0
Ending Fair Value of Adjustments for Investments	10,159	0
Beginning Unrecorded Cash	125,450	0
Ending Unrecorded Cash	(113,486)	0
Net Adjustment for Expenditure Accruals	(13,186)	(1,520)
Advances In	100,000	0
Advances Out	(620,000)	0
Encumbrances	(76,344)	(25,335)
Budget Basis	(\$1,901,326)	\$9,141

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 6 - Deposits and Investments

Monies held by the City are classified by State statute into three categories.

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

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

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$7,082,049 of the City's bank balance of \$9,293,641 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, 2009, the City had the following investments:

	Maturity		Total
	Less Than One Year	More Than One Year But Less Than Three Years	
Repurchase Agreements	\$2,549,215	\$0	\$2,549,215
Federal Home Loan Bank Bonds	1,424,910	401,200	1,826,110
Federal Home Loan Mortgage Corporation Notes	827,658	0	827,658
Federal National Mortgage Association Notes	0	400,500	400,500
Federal Farm Credit Bank Notes	0	397,813	397,813
STAROhio	311,275	0	311,275
Total Portfolio	\$5,113,058	\$1,199,513	\$6,312,571

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

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

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2009:

<u>Investment</u>	<u>Percentage of Investments</u>
Repurchase Agreements	40.38%
Federal Home Loan Bank Bonds	28.93
Federal Home Loan Mortgage Corporation Notes	13.12
Federal National Mortgage Association Notes	6.34
Federal Farm Credit Bank Notes	6.30

Note 7 - 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, 2009.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 8 - Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, accrued interest on investments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to \$521,524 in the special assessment bond retirement fund. At December 31, 2009 the amount of delinquent special assessments was \$308,467.

The loans receivable at December 31, 2008 are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program. The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. Loans expected to be collected in more than one year amount to \$75,000.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2009 for real and public property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturer and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2009 was \$12.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Real Property	
Residential/Agricultural	\$172,280,760
Commercial Industrial/Public Utility	108,449,470
Tangible Personal Property	
Public Utility	6,468,910
General Business	6,746,990
Total	\$293,946,130

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Bedford. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the general fund and public safety special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

Income Taxes

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

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$337,525
Gasoline Tax	222,639
Grants	212,702
Homestead and Rollback	183,703
Tangible Personal Property Loss Reimbursements	80,903
Court Costs	73,130
Motor Vehicle License Tax	52,894
Permissive Tax	41,584
Estate Tax	8,154
Hospitalization Reimbursement	1,603
Total Governmental Activities	\$1,214,837

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 9 – 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 10 – Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During fiscal year 2009, the City sold 4 homes. As of December 31, 2009, the City has 13 homes remaining which are being held for resale.

Note 11 – Capital Assets

A summary of changes in capital assets during 2009 follows:

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,925,079	\$0	(\$17,000)	\$2,908,079
Construction in Progress	283,293	86,748	0	370,041
<i>Total Capital Assets Not Being Depreciated</i>	<u>3,208,372</u>	<u>86,748</u>	<u>(17,000)</u>	<u>3,278,120</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	18,059,932	389,322	(8,695)	18,440,559
Machinery and Equipment	3,835,584	138,130	(3,200)	3,970,514
Furniture and Fixtures	856,412	74,100	0	930,512
Vehicles	4,458,726	92,611	(377,321)	4,174,016
Infrastructure:				
Roads	39,621,061	37,453	(942,430)	38,716,084
Traffic Signals	1,588,375	0	0	1,588,375
Rubberized Railroad Crossings	28,478	0	0	28,478
Storm Sewers	2,744,818	9,824	0	2,754,642
<i>Total Capital Assets Being Depreciated</i>	<u>\$71,193,386</u>	<u>\$741,440</u>	<u>(\$1,331,646)</u>	<u>\$70,603,180</u>

(continued)

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
Governmental Activities (continued)				
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(\$3,073,146)	(\$392,695)	\$6,869	(\$3,458,972)
Machinery and Equipment	(2,520,390)	(240,309)	3,200	(2,757,499)
Furniture and Fixtures	(781,901)	(14,877)	0	(796,778)
Vehicles	(3,028,940)	(294,699)	355,575	(2,968,064)
Infrastructure:				
Roads	(26,461,479)	(1,814,313)	942,430	(27,333,362)
Traffic Signals	(401,172)	(63,535)	0	(464,707)
Rubberized Railroad Crossings	(9,612)	(1,424)	0	(11,036)
Storm Sewers	(735,740)	(54,914)	0	(790,654)
<i>Total Accumulated Depreciation</i>	<u>(37,012,380)</u>	<u>(2,876,766) *</u>	<u>1,308,074</u>	<u>(38,581,072)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>34,181,006</u>	<u>(2,135,326)</u>	<u>(23,572)</u>	<u>32,022,108</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$37,389,378</u>	<u>(\$2,048,578)</u>	<u>(\$40,572)</u>	<u>\$35,300,228</u>
	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	9,993,459	37,964	0	10,031,423
Machinery and Equipment	6,321,387	26,703	0	6,348,090
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	379,180	21,128	0	400,308
Infrastructure:				
Water Lines	4,594,812	140,508	0	4,735,320
Sanitary Sewer Lines	3,153,541	0	0	3,153,541
<i>Total Capital Assets Being Depreciated</i>	<u>24,536,151</u>	<u>226,303</u>	<u>0</u>	<u>24,762,454</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,967,202)	(197,460)	0	(3,164,662)
Machinery and Equipment	(6,150,132)	(45,433)	0	(6,195,565)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(198,906)	(30,914)	0	(229,820)
Infrastructure:				
Water Lines	(772,801)	(67,096)	0	(839,897)
Sanitary Sewer Lines	(707,769)	(38,807)	0	(746,576)
<i>Total Accumulated Depreciation</i>	<u>(10,890,582)</u>	<u>(379,710)</u>	<u>0</u>	<u>(11,270,292)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>13,645,569</u>	<u>(153,407)</u>	<u>0</u>	<u>13,492,162</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$13,674,189</u>	<u>(\$153,407)</u>	<u>\$0</u>	<u>\$13,520,782</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

* Depreciation expense was charged to governmental functions as follows:

General Government	\$276,715
Security of Persons and Property	
Police	179,763
Fire	194,637
Public Health and Welfare	2,683
Leisure Time Activities	110,168
Community Development	2,547
Transportation	<u>2,110,253</u>
Total	<u><u>\$2,876,766</u></u>

Note 12 - Interfund Transfers and Balances

Interfund Transfers

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Major Funds:			
General	\$0	\$200,000	\$200,000
Public Safety	2,605,833	0	2,605,833
Total Major Funds	2,605,833	200,000	2,805,833
Other Governmental Funds:			
Street Construction, Maintenance and Repair	140,250	0	140,250
Grants	13,750	0	13,750
General Obligation Bond Retirement	255,000	139,315	394,315
Capital Improvement	200,000	0	200,000
Total Other Governmental Funds	609,000	139,315	748,315
Total	\$3,214,833	\$339,315	\$3,554,148

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. Other governmental funds made a transfer to the general fund as a result of an overpayment of transfers in prior years made for debt payments. 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Interfund Balances

The interfund balance at December 31, 2009, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$844,937. This loan was made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loan. This loan is expected to be repaid in one year.

Note 13 - Long-term Obligations

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

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
<i>General Obligation Bonds</i>				
Various Purpose	2006	2027	4.00-4.125 %	\$8,929,000
City Hall (Refunded \$3,115,000)	1999	2009	3.85-5.45	5,000,000
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
<i>Special Assessment Bonds</i>				
Northfield and Rockside Resurfacing	1993	2012	6.50-6.40	250,000
Northfield and Rockside Resurfacing #2	1996	2015	4.6-6.625	760,000
<i>Ohio Public Works Commission Loans</i>				
Willard Avenue	1994	2014	0.00	445,200
Wandle Avenue	2001	2021	0.00	518,579
<i>Police Pension</i>	1968	2035	4.25	245,922
Business-Type Activities				
<i>General Obligation Bonds</i>				
<i>Water</i>				
Water Refunding #1	2002	2017	1.45-4.65	690,000
Water Refunding #2	2002	2012	1.45-3.95	1,165,000
Washington Street Water	2006	2026	4.00-4.125	646,000
<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
<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
<i>Ohio Public Works Commission Loans</i>				
<i>Water</i>				
Northfield Road Water Line	2007	n/a	0.00	400,000
<i>Wastewater</i>				
Flow Control	1995	2015	0.00	83,265
Oxidation Tower Improvements	2004	2025	0.00	822,286
Sludge Thickener	2008	2029	0.00	200,336

City of Bedford, Ohio
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Changes in long-term obligations during the year ended December 31, 2009, consisted of the following:

	Balance 12/31/08	Increase	Decrease	Balance 12/31/09	Amounts Due in One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
Various Purpose Bonds	\$8,781,500	\$0	\$91,200	\$8,690,300	\$341,200
Premium on Various Purpose Bonds	53,910	0	2,862	51,048	0
Discount on Various Purpose Bonds	(48,766)	0	(2,589)	(46,177)	0
Loss on Refunding	(400,341)	0	(21,258)	(379,083)	0
Total Various Purpose Bonds	8,386,303	0	70,215	8,316,088	341,200
City Hall	235,000	0	235,000	0	0
City Hall	1,425,000	0	155,000	1,270,000	160,000
City Hall Court	815,000	0	60,000	755,000	65,000
Total General Obligation Bonds	10,861,303	0	520,215	10,341,088	566,200
<i>Special Assessment Bonds</i>					
Northfield and Rockside Resurfacing	70,000	0	15,000	55,000	15,000
Northfield and Rockside Resurfacing #2	360,000	0	45,000	315,000	45,000
Total Special Assessment Bonds	430,000	0	60,000	370,000	60,000
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	122,430	0	22,260	100,170	22,260
Wandle Avenue	311,147	0	25,929	285,218	25,929
Total Ohio Public Works Commission Loans	433,577	0	48,189	385,388	48,189
<i>Other Long-Term Obligations</i>					
Police Pension	194,216	0	4,085	190,131	4,260
Capital Leases Payable	42,712	0	11,610	31,102	10,207
Compensated Absences Payable	1,319,688	424,954	354,668	1,389,974	337,423
Total Other Long-Term Obligations	1,556,616	424,954	370,363	1,611,207	351,890
Total Governmental Activities	\$13,281,496	\$424,954	\$998,767	\$12,707,683	\$1,026,279

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Balance 12/31/08	Increase	Decrease	Balance 12/31/09	Amounts Due in One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$465,000	\$0	\$50,000	\$415,000	\$45,000
Unamortized Loss	(18,383)	0	(2,043)	(16,340)	0
Total Water Refunding #1	446,617	0	47,957	398,660	45,000
Water Refunding #2	535,000	0	125,000	410,000	135,000
Unamortized Loss	(18,446)	0	(4,612)	(13,834)	0
Total Water Refunding #2	516,554	0	120,388	396,166	135,000
Washington Street Water	603,500	0	23,800	579,700	23,800
Unamortized Premium	3,987	0	212	3,775	0
Unamortized Discount	(3,594)	0	(191)	(3,403)	0
Total Washington Street Water	603,893	0	23,821	580,072	23,800
Sewer Improvement Refunding	315,000	0	5,000	310,000	0
Unamortized Premium	1,082	0	58	1,024	0
Unamortized Discount	(717)	0	(38)	(679)	0
Unamortized Loss	(16,820)	0	(893)	(15,927)	0
Total Sewer Improvement Refunding	298,545	0	4,127	294,418	0
Sewer Improvement	280,000	0	30,000	250,000	30,000
Total General Obligation Bonds	2,145,609	0	226,293	1,919,316	233,800
<i>OWDA Loans</i>					
Sewer System	3,791,558	0	688,095	3,103,463	721,520
Unamortized Loss	(331,923)	0	(73,762)	(258,161)	0
Total Sewer System	3,459,635	0	614,333	2,845,302	721,520
Rapid Sandfilter	1,983,275	0	99,504	1,883,771	103,422
Total OWDA Loans	5,442,910	0	713,837	4,729,073	824,942
<i>OPWC Loans</i>					
Northfield Road Water Line	306,809	93,191	10,000	390,000	20,000
Flow Control	24,981	0	4,163	20,818	4,163
Oxidation Tower Improvements	678,386	0	41,114	637,272	41,114
Sludge Thickener	200,336	0	5,008	195,328	10,017
Total OPWC Loans	1,210,512	93,191	60,285	1,243,418	75,294
<i>Other Long-Term Liabilities</i>					
Compensated Absences	129,165	45,842	25,740	149,267	31,515
Total Business-Type Activities	\$8,928,196	\$139,033	\$1,026,155	\$8,041,074	\$1,165,551

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

The OPWC loans will be paid from the general bond retirement debt service fund as well as user charges and income tax from the appropriate enterprise fund. 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 police pension special revenue fund.

In 2003, the City defeased a 1991 water construction mortgage revenue bond issue and a 1997 water construction general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2009, \$795,000 of the defeased bonds are still outstanding.

In 2006, the City defeased a 1999 city hall general obligation bond issue, a 2000 city hall general obligation bond issue, a 2000 city hall court general obligation bond issue and a 2002 sewer improvement general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2009, \$7,345,000 of the defeased bonds are still outstanding

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 and are payable through 2029. Annual principal and interest payments on the debt issues are expected to require 72 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$6,763,612. Principal and interest paid for the current year and net revenues available were \$1,088,106 and \$776,318, respectively.

The City's overall legal debt margin was \$27,994,571 at December 31, 2009. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2009, are as follows:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$566,200	\$435,380	\$60,000	\$22,735	\$4,260	\$8,036	\$48,189
2011	589,500	413,024	70,000	19,030	4,443	7,853	48,189
2012	607,800	389,409	70,000	14,700	4,634	7,662	48,189
2013	632,800	364,779	55,000	10,370	4,833	7,463	48,189
2014	666,100	338,840	55,000	7,015	5,041	7,255	37,059
2015-2019	3,723,500	1,259,445	60,000	3,660	28,644	32,837	129,645
2020-2024	2,359,500	607,902	0	0	35,348	26,133	25,928
2025-2029	1,569,900	125,798	0	0	43,621	17,892	0
2030-2034	0	0	0	0	53,828	7,652	0
2035	0	0	0	0	5,479	116	0
Total	\$10,715,300	\$3,934,577	\$370,000	\$77,510	\$190,131	\$122,899	\$385,388

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC Loan
	Principal	Interest	Principal	Interest	
2010	\$233,800	\$79,123	\$824,942	\$212,880	\$75,294
2011	250,500	70,581	864,065	173,758	75,294
2012	257,200	60,896	905,048	132,774	75,295
2013	112,200	50,633	948,183	89,639	75,295
2014	113,900	45,977	120,701	55,189	75,295
2015-2019	556,500	150,501	678,663	200,792	355,656
2020-2024	350,500	54,760	645,632	57,929	355,656
2025-2029	90,100	5,440	0	0	155,633
Total	\$1,964,700	\$517,911	\$4,987,234	\$922,961	\$1,243,418

Note 14 - Capital Leases

In prior years, the City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2009 follows:

	<u>Amounts</u>
Asset:	
Equipment	\$57,495
Less: Accumulated Depreciation	<u>(21,489)</u>
Current Book Value	<u>\$36,006</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

Year Ending December 31,	
2010	\$10,255
2011	7,980
2012	7,980
2013	4,935
Total Minimum Lease Payments	31,150
Less: Amount Representing Interest	(48)
Present Value of Minimum Lease	\$31,102

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 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 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 writing to OPERS, 277 East Town Street, Columbus, OH 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. For the year ended December 31, 2009, the members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City’s 2009 contribution rate was 14.0 percent. For the period January 1 through March 31, a portion of the City’s contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$523,667, \$445,897, and \$479,077 respectively; 76.41 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$3,571 made by the City and \$2,551 made by the plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$302,735 and \$326,883 for the year ended December 31, 2009, \$298,394 and \$360,193 for the year ended December 31, 2007, and \$280,050 and \$328,623 for the year ended December 31, 2007. 75.06 percent has been contributed for police and 72.90 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

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, 2009, the unfunded liability of the City was \$190,131 payable in semi-annual payments through the year 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) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and 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, a 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 require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment 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 2009, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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, 2009, 2008, and 2007 were \$380,091, \$445,897, and \$315,560 respectively; 76.41 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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

Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. 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 administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the 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 Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$173,912 and \$135,782 for the year ended December 31, 2009, \$196,813 and \$171,784 for the year ended December 31, 2008, and \$184,714 and \$156,728 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 75.06 percent has been contributed for police and 72.90 percent has been contributed for firefighters for 2009.

Note 17 - Risk Management

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Automobile Liability	\$5,000,000	\$1,000
General Liability	5,000,000 per occurrence	1,000
Property Liability	43,135,579	1,000
Boiler and Machinery	10,000,000	1,000
Firefighters Errors and Omissions	5,000,000 per occurrence	1,000
Ambulance Professional	5,000,000 per occurrence	1,000
Law Enforcement Liability	5,000,000 per occurrence	2,500
Public Officials Liability	5,000,000 aggregate	2,500
Employee Benefit Liability	1,000,000	1,000
Uninsured Motorists	25,000	0
Stop Gap	1,000,000	1,000
Municipal Attorney and Law Director Liability	1,000,000	2,500

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

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

The claims liability of \$160,661 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2009, 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 2008 and 2009 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	140,665	1,944,050	1,892,151	192,564
2009	192,564	1,815,035	1,846,938	160,661

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.

COMBINING

SECTION



**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 or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

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

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

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

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

Housing and Urban Development (HUD) Rehabilitation Program Fund - To account for the Housing and Urban Development grant monies received for acquisition, rehabilitation, and resale of foreclosed and abandoned homes.

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

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 resources used for the payment of principal and interest and fiscal charges on general obligation debt.

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

Nonmajor Capital Projects Funds

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

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

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

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,491,934	\$52,360	\$919,804	\$3,464,098
Accounts Receivable	2,989	0	0	2,989
Intergovernmental Receivable	449,920	0	76,408	526,328
Interfund Receivable	14,937	0	0	14,937
Accrued Interest Receivable	3,059	0	1,672	4,731
Loans Receivable	0	0	100,000	100,000
Special Assessments Receivable	338,540	581,524	74,615	994,679
Assets Held for Resale	743,296	0	0	743,296
<i>Total Assets</i>	<u>\$4,044,675</u>	<u>\$633,884</u>	<u>\$1,172,499</u>	<u>\$5,851,058</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$70,872	\$0	\$0	\$70,872
Accrued Wages	5,675	0	0	5,675
Intergovernmental Payable	5,544	0	0	5,544
Interfund Payable	830,000	0	0	830,000
Deferred Revenue	553,183	581,524	382,615	1,517,322
<i>Total Liabilities</i>	<u>1,465,274</u>	<u>581,524</u>	<u>382,615</u>	<u>2,429,413</u>
Fund Balances				
Nonspendable	42,842	0	75,000	117,842
Restricted	2,536,559	52,360	410,909	2,999,828
Committed	0	0	6,158	6,158
Assigned	0	0	297,817	297,817
<i>Total Fund Balances</i>	<u>2,579,401</u>	<u>52,360</u>	<u>789,884</u>	<u>3,421,645</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,044,675</u>	<u>\$633,884</u>	<u>\$1,172,499</u>	<u>\$5,851,058</u>

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$626,789	\$0	\$626,789
Charges for Services	1,900	0	0	1,900
Fines and Forfeitures	189,261	0	89,993	279,254
Intergovernmental	1,050,400	0	392	1,050,792
Special Assessments	322,424	103,118	0	425,542
Contributions and Donations	40,855	0	0	40,855
Interest	47,028	13,714	22,128	82,870
Other	139,845	0	14,000	153,845
<i>Total Revenues</i>	<u>1,791,713</u>	<u>743,621</u>	<u>126,513</u>	<u>2,661,847</u>
Expenditures				
Current:				
General Government:	35,490	0	0	35,490
Security of Persons and Property:				
Police	520,273	0	0	520,273
Fire	6,117	0	0	6,117
Public Health and Welfare	400	0	0	400
Leisure Time Activities	15,103	0	0	15,103
Community Development	78,748	0	0	78,748
Basic Utility Services	318,304	0	0	318,304
Transportation	796,855	0	0	796,855
Capital Outlay	0	0	534,808	534,808
Debt Service:				
Principal Retirement	0	649,389	0	649,389
Interest and Fiscal Charges	0	484,882	0	484,882
<i>Total Expenditures</i>	<u>1,771,290</u>	<u>1,134,271</u>	<u>534,808</u>	<u>3,440,369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>20,423</u>	<u>(390,650)</u>	<u>(408,295)</u>	<u>(778,522)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	6,684	0	120,000	126,684
Gain on Sale of Assets	33,271	0	0	33,271
Transfers In	154,000	394,315	200,000	748,315
Transfers Out	(139,315)	(200,000)	0	(339,315)
<i>Total Other Financing Sources (Uses)</i>	<u>54,640</u>	<u>194,315</u>	<u>320,000</u>	<u>568,955</u>
<i>Net Change in Fund Balances</i>	75,063	(196,335)	(88,295)	(209,567)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>2,504,338</u>	<u>248,695</u>	<u>878,179</u>	<u>3,631,212</u>
<i>Fund Balances End of Year</i>	<u>\$2,579,401</u>	<u>\$52,360</u>	<u>\$789,884</u>	<u>\$3,421,645</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Community Development Block Grant	State Highway	Indigent Drivers
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$107,824	\$199,985	\$100,011
Accounts Receivable	1,989	0	0
Intergovernmental Receivable	113,029	20,627	0
Interfund Receivable	0	0	0
Accrued Interest Receivable	0	0	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	79,889	0	0
<i>Total Assets</i>	<u>\$302,731</u>	<u>\$220,612</u>	<u>\$100,011</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$1,860	\$4,965	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	200,000	0	0
Deferred Revenue	0	13,924	0
<i>Total Liabilities</i>	<u>201,860</u>	<u>18,889</u>	<u>0</u>
 Fund Balances			
Nonspendable	0	0	0
Restricted	100,871	201,723	100,011
<i>Total Fund Balances</i>	<u>100,871</u>	<u>201,723</u>	<u>100,011</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$302,731</u>	<u>\$220,612</u>	<u>\$100,011</u>

<u>SEAL Narcotics</u>	<u>Enforcement and Education</u>	<u>Street Lighting</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Law Enforcement Trust</u>
\$210,199	\$678	\$336,566	\$441,625	\$33,813
0	0	0	0	0
0	0	0	254,906	0
0	0	0	0	0
0	0	0	0	0
0	0	338,540	0	0
0	0	0	0	0
<u>\$210,199</u>	<u>\$678</u>	<u>\$675,106</u>	<u>\$696,531</u>	<u>\$33,813</u>
\$8,359	\$0	\$28,020	\$12,442	\$0
0	0	0	5,675	0
0	0	0	5,544	0
0	0	0	0	0
0	0	338,540	172,234	0
<u>8,359</u>	<u>0</u>	<u>366,560</u>	<u>195,895</u>	<u>0</u>
0	0	0	0	0
<u>201,840</u>	<u>678</u>	<u>308,546</u>	<u>500,636</u>	<u>33,813</u>
<u>201,840</u>	<u>678</u>	<u>308,546</u>	<u>500,636</u>	<u>33,813</u>
<u>\$210,199</u>	<u>\$678</u>	<u>\$675,106</u>	<u>\$696,531</u>	<u>\$33,813</u>

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	Motor Vehicle License	Grants	Municipal Court Special Programs
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$181,652	\$55,499	\$711,045
Accounts Receivable	0	1,000	0
Intergovernmental Receivable	41,584	19,774	0
Interfund Receivable	0	0	0
Accrued Interest Receivable	0	0	3,059
Special Assessments Receivable	0	0	0
Assets Held for Resale	0	0	0
<i>Total Assets</i>	<u>\$223,236</u>	<u>\$76,273</u>	<u>\$714,104</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$1,494	\$2,275	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
Deferred Revenue	28,485	0	0
<i>Total Liabilities</i>	<u>29,979</u>	<u>2,275</u>	<u>0</u>
 Fund Balances			
Nonspendable	0	0	0
Restricted	193,257	73,998	714,104
<i>Total Fund Balances</i>	<u>193,257</u>	<u>73,998</u>	<u>714,104</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$223,236</u>	<u>\$76,273</u>	<u>\$714,104</u>

HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Trust	Total Nonmajor Special Revenue Funds
\$64,018	\$6,177	\$42,842	\$2,491,934
0	0	0	2,989
0	0	0	449,920
14,937	0	0	14,937
0	0	0	3,059
0	0	0	338,540
663,407	0	0	743,296
<u>\$742,362</u>	<u>\$6,177</u>	<u>\$42,842</u>	<u>\$4,044,675</u>
\$11,457	\$0	\$0	\$70,872
0	0	0	5,675
0	0	0	5,544
630,000	0	0	830,000
0	0	0	553,183
<u>641,457</u>	<u>0</u>	<u>0</u>	<u>1,465,274</u>
0	0	42,842	42,842
100,905	6,177	0	2,536,559
<u>100,905</u>	<u>6,177</u>	<u>42,842</u>	<u>2,579,401</u>
<u>\$742,362</u>	<u>\$6,177</u>	<u>\$42,842</u>	<u>\$4,044,675</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, 2009

	Community Development Block Grant	State Highway	Indigent Drivers	SEAL Narcotics
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0
Intergovernmental	113,029	41,026	23,293	229,072
Special Assessments	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	4,949	2,373	0
Other	1,989	0	0	127,896
<i>Total Revenues</i>	<u>115,018</u>	<u>45,975</u>	<u>25,666</u>	<u>356,968</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	427,508
Fire	0	0	0	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	53,608	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	4,965	0	0
<i>Total Expenditures</i>	<u>53,608</u>	<u>4,965</u>	<u>0</u>	<u>427,508</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>61,410</u>	<u>41,010</u>	<u>25,666</u>	<u>(70,540)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Gain on Sale of 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>	61,410	41,010	25,666	(70,540)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>39,461</u>	<u>160,713</u>	<u>74,345</u>	<u>272,380</u>
<i>Fund Balances End of Year</i>	<u>\$100,871</u>	<u>\$201,723</u>	<u>\$100,011</u>	<u>\$201,840</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	\$1,900	\$0
0	0	0	4,818	0	0	178,266
658	0	507,519	0	83,278	52,525	0
0	322,424	0	0	0	0	0
0	0	0	0	0	40,855	0
10	9,276	12,184	1,096	4,517	0	12,406
0	0	0	0	0	9,935	0
<u>668</u>	<u>331,700</u>	<u>519,703</u>	<u>5,914</u>	<u>87,795</u>	<u>105,215</u>	<u>190,672</u>
0	0	0	0	0	0	35,490
800	0	0	10,792	0	81,173	0
0	0	0	0	0	6,117	0
0	0	0	0	0	0	0
0	0	0	0	0	15,103	0
0	0	0	0	0	0	0
0	318,304	0	0	0	0	0
0	0	640,396	0	151,494	0	0
<u>800</u>	<u>318,304</u>	<u>640,396</u>	<u>10,792</u>	<u>151,494</u>	<u>102,393</u>	<u>35,490</u>
<u>(132)</u>	<u>13,396</u>	<u>(120,693)</u>	<u>(4,878)</u>	<u>(63,699)</u>	<u>2,822</u>	<u>155,182</u>
0	0	6,684	0	0	0	0
0	0	0	0	0	0	0
0	0	140,250	0	0	13,750	0
0	0	0	0	0	0	(139,315)
<u>0</u>	<u>0</u>	<u>146,934</u>	<u>0</u>	<u>0</u>	<u>13,750</u>	<u>(139,315)</u>
(132)	13,396	26,241	(4,878)	(63,699)	16,572	15,867
<u>810</u>	<u>295,150</u>	<u>474,395</u>	<u>38,691</u>	<u>256,956</u>	<u>57,426</u>	<u>698,237</u>
<u>\$678</u>	<u>\$308,546</u>	<u>\$500,636</u>	<u>\$33,813</u>	<u>\$193,257</u>	<u>\$73,998</u>	<u>\$714,104</u>

(continued)

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2009

	HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Trust	Total Nonmajor Special Revenue Funds
Revenues				
Charges for Services	\$0	\$0	\$0	\$1,900
Fines and Forfeitures	0	6,177	0	189,261
Intergovernmental	0	0	0	1,050,400
Special Assessments	0	0	0	322,424
Contributions and Donations	0	0	0	40,855
Interest	0	0	217	47,028
Other	0	0	25	139,845
<i>Total Revenues</i>	<u>0</u>	<u>6,177</u>	<u>242</u>	<u>1,791,713</u>
Expenditures				
Current:				
General Government	0	0	0	35,490
Security of Persons and Property:				
Police	0	0	0	520,273
Fire	0	0	0	6,117
Public Health and Welfare	0	0	400	400
Leisure Time Activities	0	0	0	15,103
Community Development	25,140	0	0	78,748
Basic Utility Services	0	0	0	318,304
Transportation	0	0	0	796,855
<i>Total Expenditures</i>	<u>25,140</u>	<u>0</u>	<u>400</u>	<u>1,771,290</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(25,140)</u>	<u>6,177</u>	<u>(158)</u>	<u>20,423</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	6,684
Gain on Sale of Assets	33,271	0	0	33,271
Transfers In	0	0	0	154,000
Transfers Out	0	0	0	(139,315)
<i>Total Other Financing Sources (Uses)</i>	<u>33,271</u>	<u>0</u>	<u>0</u>	<u>54,640</u>
<i>Net Change in Fund Balances</i>	8,131	6,177	(158)	75,063
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>92,774</u>	<u>0</u>	<u>43,000</u>	<u>2,504,338</u>
<i>Fund Balances End of Year</i>	<u>\$100,905</u>	<u>\$6,177</u>	<u>\$42,842</u>	<u>\$2,579,401</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$527	\$51,833	\$52,360
Special Assessments Receivable	0	581,524	581,524
<i>Total Assets</i>	<u>\$527</u>	<u>\$633,357</u>	<u>\$633,884</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$581,524	\$581,524
Fund Balances			
Restricted	<u>527</u>	<u>51,833</u>	<u>52,360</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$527</u>	<u>\$633,357</u>	<u>\$633,884</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, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Municipal Income Taxes	\$626,789	\$0	\$626,789
Special Assessments	0	103,118	103,118
Interest	6,930	6,784	13,714
<i>Total Revenues</i>	<u>633,719</u>	<u>109,902</u>	<u>743,621</u>
Expenditures			
Debt Service:			
Principal Retirement	589,389	60,000	649,389
Interest and Fiscal Charges	458,442	26,440	484,882
<i>Total Expenditures</i>	<u>1,047,831</u>	<u>86,440</u>	<u>1,134,271</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(414,112)</u>	<u>23,462</u>	<u>(390,650)</u>
Other Financing Sources (Uses)			
Transfers In	394,315	0	394,315
Transfers Out	0	(200,000)	(200,000)
<i>Total Other Financing Sources (Uses)</i>	<u>394,315</u>	<u>(200,000)</u>	<u>194,315</u>
<i>Net Change in Fund Balances</i>	(19,797)	(176,538)	(196,335)
<i>Fund Balances Beginning of Year</i>	<u>20,324</u>	<u>228,371</u>	<u>248,695</u>
<i>Fund Balances End of Year</i>	<u><u>\$527</u></u>	<u><u>\$51,833</u></u>	<u><u>\$52,360</u></u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	Municipal Court Improvement	Capital Improvement	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$409,237	\$510,567	\$919,804
Intergovernmental Receivable	0	76,408	76,408
Accrued Interest Receivable	1,672	0	1,672
Loans Receivable	0	100,000	100,000
Special Assessments Receivable	0	74,615	74,615
<i>Total Assets</i>	<u>\$410,909</u>	<u>\$761,590</u>	<u>\$1,172,499</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$382,615	\$382,615
Fund Balances			
Nonspendable	0	75,000	75,000
Restricted	410,909	0	410,909
Committed	0	6,158	6,158
Assigned	0	297,817	297,817
<i>Total Fund Balances</i>	<u>410,909</u>	<u>378,975</u>	<u>789,884</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$410,909</u>	<u>\$761,590</u>	<u>\$1,172,499</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, 2009

	Municipal Court Improvement	Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues			
Fines and Forfeitures	\$89,993	\$0	\$89,993
Intergovernmental	0	392	392
Interest	9,267	12,861	22,128
Other	0	14,000	14,000
<i>Total Revenues</i>	99,260	27,253	126,513
Expenditures			
Capital Outlay	129,495	405,313	534,808
<i>Excess of Revenues Under Expenditures</i>	(30,235)	(378,060)	(408,295)
Other Financing Sources			
Sale of Capital Assets	0	120,000	120,000
Transfers In	0	200,000	200,000
<i>Total Other Financing Sources</i>	0	320,000	320,000
<i>Net Change in Fund Balances</i>	(30,235)	(58,060)	(88,295)
<i>Fund Balances Beginning of Year</i>	441,144	437,035	878,179
<i>Fund Balances End of Year</i>	\$410,909	\$378,975	\$789,884

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, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$15,769	\$5,973,089	\$5,827,534	\$161,324
Liabilities				
Deposits Held and Due to Others	\$15,769	\$5,973,089	\$5,827,534	\$161,324
 <i>State Inspection Fee</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37	\$348	\$321	\$64
Liabilities				
Deposits Held and Due to Others	\$37	\$348	\$321	\$64
 <i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37	\$348	\$321	\$64
Cash and Cash Equivalents In Segregated Accounts	15,769	5,973,089	5,827,534	161,324
<i>Total Assets</i>	\$15,806	\$5,973,437	\$5,827,855	\$161,388
Liabilities				
Deposits Held and Due to Others	\$15,806	\$5,973,437	\$5,827,855	\$161,388

**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, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Property Taxes	\$2,554,939	\$2,554,939	\$2,425,077	(\$129,862)
Municipal Income Taxes	9,797,501	8,343,401	7,894,494	(448,907)
Charges for Services	784,593	849,593	1,025,547	175,954
Fees, Licenses and Permits	266,050	266,050	158,847	(107,203)
Fines and Forfeitures	1,430,480	1,430,480	1,478,807	48,327
Intergovernmental	2,132,610	2,099,147	1,906,517	(192,630)
Interest	404,000	304,000	61,871	(242,129)
Rentals	17,980	17,980	15,480	(2,500)
Other	20,526	339,234	269,306	(69,928)
Total Revenues	17,408,679	16,204,824	15,235,946	(968,878)
Expenditures				
Current:				
General Government:				
Council and Clerk:				
Personal Services	246,565	247,106	237,004	10,102
Other	59,500	57,292	26,737	30,555
Total Council and Clerk	306,065	304,398	263,741	40,657
Finance Department:				
Personal Services	438,830	363,540	336,023	27,517
Other	327,875	331,875	304,817	27,058
Total Finance Department	766,705	695,415	640,840	54,575
Income Tax Department:				
Personal Services	223,215	220,740	206,755	13,985
Capital Outlay	13,000	13,000	0	13,000
Other	192,640	242,640	199,076	43,564
Total Income Tax Department	428,855	476,380	405,831	70,549
City Manager:				
Personal Services	342,205	282,715	243,829	38,886
Other	28,158	28,158	9,284	18,874
Total City Manager	\$370,363	\$310,873	\$253,113	\$57,760

(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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$128,055	\$143,405	\$143,368	\$37
Other	116,000	127,000	118,902	8,098
Total Law Department	244,055	270,405	262,270	8,135
Engineering:				
Personal Services	14,700	14,700	14,694	6
Other	41,649	41,649	37,444	4,205
Total Engineering	56,349	56,349	52,138	4,211
Municipal Court:				
Personal Services	1,799,570	1,791,944	1,750,443	41,501
Other	263,400	281,100	271,788	9,312
Total Municipal Court	2,062,970	2,073,044	2,022,231	50,813
Special Projects:				
Other	90,900	94,900	65,626	29,274
Civil Service Commission:				
Personal Services	5,010	4,884	1,091	3,793
Other	17,500	17,500	525	16,975
Total Civil Service Commission	22,510	22,384	1,616	20,768
Land and Building:				
Personal Services	147,580	146,910	141,190	5,720
Capital Outlay	9,000	9,000	0	9,000
Other	565,019	564,019	455,454	108,565
Total Land and Building	721,599	719,929	596,644	123,285
County Auditor Deductions:				
Other	81,950	81,950	62,486	19,464
Total General Government	\$5,152,321	\$5,106,027	\$4,626,536	\$479,491

(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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$4,302,068	\$4,057,207	\$3,897,255	\$159,952
Capital Outlay	125,894	125,894	121,777	4,117
Other	353,461	343,461	297,687	45,774
Total Police	<u>4,781,423</u>	<u>4,526,562</u>	<u>4,316,719</u>	<u>209,843</u>
Fire:				
Fire Equipment:				
Capital Outlay	212,291	248,673	143,448	105,225
Other	7,500	7,500	5,618	1,882
Total Fire	<u>219,791</u>	<u>256,173</u>	<u>149,066</u>	<u>107,107</u>
Total Security of Persons and Property	<u>5,001,214</u>	<u>4,782,735</u>	<u>4,465,785</u>	<u>316,950</u>
Public Health and Welfare:				
Health Department:				
Other	52,592	52,592	52,592	0
Cemetery:				
Personal Services	95,390	94,451	85,321	9,130
Capital Outlay	1,400	4,800	4,300	500
Other	31,030	27,630	20,091	7,539
Total Cemetery	<u>127,820</u>	<u>126,881</u>	<u>109,712</u>	<u>17,169</u>
Total Public Health and Welfare	<u>180,412</u>	<u>179,473</u>	<u>162,304</u>	<u>17,169</u>
Leisure Time Activities:				
Parks and Playground:				
Personal Services	14,240	16,006	14,117	1,889
Other	244,398	247,398	155,504	91,894
Total Parks and Playground	<u>258,638</u>	<u>263,404</u>	<u>169,621</u>	<u>93,783</u>
Playgrounds:				
Personal Services	330,055	326,178	309,620	16,558
Other	190,493	190,493	160,254	30,239
Total Playground	<u>\$520,548</u>	<u>\$516,671</u>	<u>\$469,874</u>	<u>\$46,797</u>

(continued)

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Swimming Pool:				
Personal Services	\$155,285	\$158,586	\$157,620	\$966
Capital Outlay	10,200	13,198	13,198	0
Other	54,334	50,289	42,347	7,942
Total Swimming Pool	219,819	222,073	213,165	8,908
Ellenwood Center:				
Personal Services	406,075	398,110	363,151	34,959
Capital Outlay	10,000	10,000	3,731	6,269
Other	125,123	125,123	81,937	43,186
Total Ellenwood Center	541,198	533,233	448,819	84,414
Total Leisure Time Activities	1,540,203	1,535,381	1,301,479	233,902
Community Development:				
Planning Commission Department:				
Personal Services	2,055	1,984	8	1,976
Other	2,000	2,000	1,777	223
Total Planning Commission Department	4,055	3,984	1,785	2,199
Board of Zoning Appeals:				
Other	150	150	0	150
Building Department:				
Personal Services	430,120	425,750	425,725	25
Other	44,324	44,324	28,339	15,985
Total Building Department	474,444	470,074	454,064	16,010
Economic Development:				
Personal Services	105,090	117,385	114,483	2,902
Other	201,840	195,840	171,097	24,743
Total Economic Development	306,930	313,225	285,580	27,645
Housing Rehabilitation:				
Capital Outlay	119,930	119,930	117,851	2,079
Total Community Development	\$905,509	\$907,363	\$859,280	\$48,083

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Refuse Collection:				
Other	\$765,000	\$779,801	\$730,747	\$49,054
Transportation:				
Service Department:				
Personal Services	1,687,525	1,647,470	1,558,860	88,610
Capital Outlay	8,856	8,856	5,823	3,033
Other	36,800	36,800	22,611	14,189
Total Transportation	1,733,181	1,693,126	1,587,294	105,832
<i>Total Expenditures</i>	15,277,840	14,983,906	13,733,425	1,250,481
<i>Excess of Revenues Over Expenditures</i>	2,130,839	1,220,918	1,502,521	281,603
Other Financing Sources (Uses)				
Sale of Capital Assets	137,524	137,524	130,986	(6,538)
Advances In	83,341	200,000	100,000	(100,000)
Advances Out	(221,262)	(627,921)	(620,000)	7,921
Transfers In	164,166	864,166	200,000	(664,166)
Transfers Out	(3,689,905)	(4,064,236)	(3,214,833)	849,403
<i>Total Other Financing Sources (Uses)</i>	(3,526,136)	(3,490,467)	(3,403,847)	86,620
<i>Net Change in Fund Balance</i>	(1,395,297)	(2,269,549)	(1,901,326)	368,223
<i>Fund Balance Beginning of Year</i>	8,818,197	8,818,197	8,818,197	0
Prior Year Encumbrances Appropriated	103,200	103,200	103,200	0
<i>Fund Balance End of Year</i>	\$7,526,100	\$6,651,848	\$7,020,071	\$368,223

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$795,668	\$910,998	\$886,481	(\$24,517)
Fees, Licenses and Permits	2,510	2,510	85	(2,425)
Intergovernmental	331,125	282,822	272,937	(9,885)
Interest	13,000	1,950	13,974	12,024
Other	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	<u>1,143,303</u>	<u>1,199,280</u>	<u>1,173,477</u>	<u>(25,803)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Police Pension:				
Personal Services	513,530	513,530	463,690	49,840
Fire:				
Fire Medic Levy:				
Personal Services	2,878,030	2,807,070	2,678,268	128,802
Other	169,638	169,638	138,976	30,662
Total Fire Medic Levy	3,047,668	2,976,708	2,817,244	159,464
Fire Pension:				
Personal Services	508,160	508,160	489,235	18,925
Total Fire	3,555,828	3,484,868	3,306,479	178,389
<i>Total Expenditures</i>	<u>4,069,358</u>	<u>3,998,398</u>	<u>3,770,169</u>	<u>228,229</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,926,055)</u>	<u>(2,799,118)</u>	<u>(2,596,692)</u>	<u>202,426</u>
Other Financing Sources				
Sale of Capital Assets	0	1,833	0	(1,833)
Transfers In	2,805,000	2,765,000	2,605,833	(159,167)
<i>Total Other Financing Sources</i>	<u>2,805,000</u>	<u>2,766,833</u>	<u>2,605,833</u>	<u>(161,000)</u>
<i>Net Change in Fund Balance</i>	(121,055)	(32,285)	9,141	41,426
<i>Fund Balance Beginning of Year</i>	603,430	603,430	603,430	0
Prior Year Encumbrances Appropriated	21,378	21,378	21,378	0
<i>Fund Balance End of Year</i>	<u>\$503,753</u>	<u>\$592,523</u>	<u>\$633,949</u>	<u>\$41,426</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,068,870	\$4,068,870	\$3,971,824	(\$97,046)
Other	7,000	7,000	45,058	38,058
Interest	38,390	38,390	56,282	17,892
OPWC Loan Issued	0	93,191	93,191	0
<i>Total Revenues</i>	<u>4,114,260</u>	<u>4,207,451</u>	<u>4,166,355</u>	<u>(41,096)</u>
Expenses				
Personal Services	506,964	537,084	526,310	10,774
Contractual Services	3,146,565	3,173,065	2,971,500	201,565
Materials and Supplies	142,749	180,749	112,256	68,493
Capital Outlay	181,164	216,530	201,384	15,146
Other	2,100	2,100	956	1,144
Debt Service:				
Principal Retirement	218,800	228,800	208,800	20,000
Interest and Fiscal Charges	62,750	62,750	62,748	2
<i>Total Expenses</i>	<u>4,261,092</u>	<u>4,401,078</u>	<u>4,083,954</u>	<u>317,124</u>
<i>Net Change in Fund Equity</i>	(146,832)	(193,627)	82,401	276,028
<i>Fund Equity Beginning of Year</i>	1,769,862	1,769,862	1,769,862	0
Prior Year Encumbrances Appropriated	<u>124,064</u>	<u>124,064</u>	<u>124,064</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,747,094</u>	<u>\$1,700,299</u>	<u>\$1,976,327</u>	<u>\$276,028</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,165,350	\$2,165,350	\$2,104,828	(\$60,522)
Municipal Income Taxes	324,865	302,880	250,344	(52,536)
Other	1,000	1,000	0	(1,000)
Interest	59,770	59,770	37,457	(22,313)
<i>Total Revenues</i>	<u>2,550,985</u>	<u>2,529,000</u>	<u>2,392,629</u>	<u>(136,371)</u>
Expenses				
Personal Services	965,800	1,008,156	956,792	51,364
Contractual Services	85,075	85,075	76,443	8,632
Materials and Supplies	358,879	358,879	325,276	33,603
Capital Outlay	193,917	206,917	54,917	152,000
Other	6,800	41,800	8,460	33,340
Debt Service:				
Principal Retirement	880,320	885,328	872,884	12,444
Interest and Fiscal Charges	274,755	274,755	274,753	2
<i>Total Expenses</i>	<u>2,765,546</u>	<u>2,860,910</u>	<u>2,569,525</u>	<u>291,385</u>
<i>Net Change in Fund Equity</i>	(214,561)	(331,910)	(176,896)	155,014
<i>Fund Equity Beginning of Year</i>	1,860,151	1,860,151	1,860,151	0
Prior Year Encumbrances Appropriated	27,516	27,516	27,516	0
<i>Fund Equity End of Year</i>	<u>\$1,673,106</u>	<u>\$1,555,757</u>	<u>\$1,710,771</u>	<u>\$155,014</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$636,163	\$636,163	\$1,163	(\$635,000)
Expenditures				
Current:				
Community Development:				
CDBG Department:				
Capital Outlay	600,000	661,174	144,148	517,026
Other	37,806	37,806	37,806	0
<i>Total Expenditures</i>	637,806	698,980	181,954	517,026
<i>Excess of Revenues Under Expenditures</i>	(1,643)	(62,817)	(180,791)	(117,974)
Other Financing Sources (Uses)				
Advances In	200,000	200,000	200,000	0
Advances Out	(200,000)	(200,000)	0	200,000
<i>Total Other Financing Sources (Uses)</i>	0	0	200,000	200,000
<i>Net Change in Fund Balance</i>	(1,643)	(62,817)	19,209	82,026
<i>Fund Balance Beginning of Year</i>	38,297	38,297	38,297	0
Prior Year Encumbrances Appropriated	26,826	26,826	26,826	0
<i>Fund Balance End of Year</i>	\$63,480	\$2,306	\$84,332	\$82,026

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$43,000	\$43,000	\$41,318	(\$1,682)
Interest	3,000	3,000	4,949	1,949
<i>Total Revenues</i>	46,000	46,000	46,267	267
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	45,000	45,000	45,000	0
<i>Net Change in Fund Balance</i>	1,000	1,000	1,267	267
<i>Fund Balance Beginning of Year</i>	153,718	153,718	153,718	0
<i>Fund Balance End of Year</i>	\$154,718	\$154,718	\$154,985	\$267

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,000	\$15,000	\$22,181	\$7,181
Interest	4,000	4,000	2,373	(1,627)
<i>Total Revenues</i>	19,000	19,000	24,554	5,554
Expenditures				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	45,000	45,000	0	45,000
<i>Net Change in Fund Balance</i>	(26,000)	(26,000)	24,554	50,554
<i>Fund Balance Beginning of Year</i>	74,020	74,020	74,020	0
<i>Fund Balance End of Year</i>	\$48,020	\$48,020	\$98,574	\$50,554

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SEAL Narcotics Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$180,568	\$235,025	\$229,072	(\$5,953)
Other	95,136	123,828	127,896	4,068
<i>Total Revenues</i>	<u>275,704</u>	<u>358,853</u>	<u>356,968</u>	<u>(1,885)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	238,622	238,622	233,447	5,175
Capital Outlay	281,904	365,052	161,672	203,380
Other	27,558	27,559	24,030	3,529
<i>Total Expenditures</i>	<u>548,084</u>	<u>631,233</u>	<u>419,149</u>	<u>212,084</u>
<i>Net Change in Fund Balance</i>	(272,380)	(272,380)	(62,181)	210,199
<i>Fund Balance Beginning of Year</i>	200,380	200,380	200,380	0
Prior Year Encumbrances Appropriated	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$210,199</u></u>	<u><u>\$210,199</u></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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$0	\$130	\$558	\$428
Interest	0	0	10	10
<i>Total Revenues</i>	0	130	568	438
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Enforcement and Education:				
Personal Services	800	800	800	0
<i>Net Change in Fund Balance</i>	(800)	(670)	(232)	438
<i>Fund Balance Beginning of Year</i>	810	810	810	0
<i>Fund Balance End of Year</i>	\$10	\$140	\$578	\$438

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$300,000	\$300,000	\$322,424	\$22,424
Interest	6,000	6,000	9,276	3,276
<i>Total Revenues</i>	306,000	306,000	331,700	25,700
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	298,000	316,000	313,717	2,283
<i>Net Change in Fund Balance</i>	8,000	(10,000)	17,983	27,983
<i>Fund Balance Beginning of Year</i>	318,583	318,583	318,583	0
<i>Fund Balance End of Year</i>	<u>\$326,583</u>	<u>\$308,583</u>	<u>\$336,566</u>	<u>\$27,983</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$531,000	\$531,000	\$511,122	(\$19,878)
Interest	30,000	30,000	12,184	(17,816)
<i>Total Revenues</i>	561,000	561,000	523,306	(37,694)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	218,660	238,766	221,194	17,572
Capital Outlay	64,040	64,040	59,701	4,339
Other	557,921	557,921	375,389	182,532
<i>Total Expenditures</i>	840,621	860,727	656,284	204,443
<i>Excess of Revenues Under Expenditures</i>	(279,621)	(299,727)	(132,978)	166,749
Other Financing Sources				
Sale of Capital Assets	5,000	5,000	6,684	1,684
Transfers In	153,000	153,000	140,250	(12,750)
<i>Total Other Financing Sources</i>	158,000	158,000	146,934	(11,066)
<i>Net Change in Fund Balance</i>	(121,621)	(141,727)	13,956	155,683
<i>Fund Balance Beginning of Year</i>	375,336	375,336	375,336	0
Prior Year Encumbrances Appropriated	32,461	32,461	32,461	0
<i>Fund Balance End of Year</i>	\$286,176	\$266,070	\$421,753	\$155,683

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$0	\$4,800	\$4,818	\$18
Interest	0	600	1,096	496
<i>Total Revenues</i>	0	5,400	5,914	514
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	3,000	3,000	587	2,413
Other	27,000	27,000	10,205	16,795
<i>Total Expenditures</i>	30,000	30,000	10,792	19,208
<i>Net Change in Fund Balance</i>	(30,000)	(24,600)	(4,878)	19,722
<i>Fund Balance Beginning of Year</i>	38,691	38,691	38,691	0
<i>Fund Balance End of Year</i>	\$8,691	\$14,091	\$33,813	\$19,722

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$87,000	\$87,000	\$87,734	\$734
Interest	6,000	6,000	4,517	(1,483)
<i>Total Revenues</i>	93,000	93,000	92,251	(749)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	243,000	243,000	150,000	93,000
<i>Net Change in Fund Balance</i>	(150,000)	(150,000)	(57,749)	92,251
<i>Fund Balance Beginning of Year</i>	89,401	89,401	89,401	0
Prior Year Encumbrances Appropriated	150,000	150,000	150,000	0
<i>Fund Balance End of Year</i>	<u>\$89,401</u>	<u>\$89,401</u>	<u>\$181,652</u>	<u>\$92,251</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,125	\$1,125	\$1,900	\$775
Intergovernmental	119,292	76,402	32,751	(43,651)
Contributions & Donations	0	40,855	40,855	0
Other	7,500	9,535	8,935	(600)
<i>Total Revenues</i>	<u>127,917</u>	<u>127,917</u>	<u>84,441</u>	<u>(43,476)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Homeland Security Police Department:				
Other	42,552	42,552	22,893	19,659
Purdue/Ben Venue Grant:				
Capital Outlay	485	485	0	485
Community Diversion:				
Personal Services	61,396	61,236	20,506	40,730
Other	122	282	184	98
Total Community Diversion	<u>61,518</u>	<u>61,518</u>	<u>20,690</u>	<u>40,828</u>
Third Grade Seatbelts:				
Personal Services	1,020	1,020	1,020	0
Violence Against Women:				
Personal Services	28,016	28,016	27,937	79
Other	125	125	125	0
Total Violence Against Women	<u>28,141</u>	<u>28,141</u>	<u>28,062</u>	<u>79</u>
DARE Enforcement:				
Personal Services	9,863	9,863	9,863	0
Other	99	99	0	99
Total DARE Enforcement	<u>9,962</u>	<u>9,962</u>	<u>9,863</u>	<u>99</u>
Target Grant:				
Other	300	300	300	0
Total Police	<u>\$143,978</u>	<u>\$143,978</u>	<u>\$82,828</u>	<u>\$61,150</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire:				
Fire Department:				
Other	\$33,762	\$33,762	\$8,192	\$25,570
Total Security of Persons and Property	177,740	177,740	91,020	86,720
Leisure Time Activities:				
Food bank - Recreation:				
Other	15,000	15,000	11,008	3,992
Cuyahoga Arts Council:				
Other	4,983	4,983	4,548	435
Total Leisure Time Activities	19,983	19,983	15,556	4,427
<i>Total Expenditures</i>	197,723	197,723	106,576	90,712
<i>Excess of Revenues Under Expenditures</i>	(69,806)	(69,806)	(22,135)	47,671
Other Financing Sources				
Transfers In	27,070	27,070	13,750	(13,320)
<i>Net Change in Fund Balance</i>	(42,736)	(42,736)	(8,385)	34,351
<i>Fund Balance Beginning of Year</i>	42,286	42,286	42,286	0
Prior Year Encumbrances Appropriated	16,797	16,797	16,797	0
<i>Fund Balance End of Year</i>	\$16,347	\$16,347	\$50,698	\$34,351

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$175,000	\$175,000	\$181,165	\$6,165
Interest	25,000	25,000	9,434	(15,566)
<i>Total Revenues</i>	200,000	200,000	190,599	(9,401)
Expenditures				
Current:				
General Government:				
Municipal Court Special Programs:				
Capital Outlay	25,000	37,797	35,490	2,307
<i>Excess of Revenues Over Expenditures</i>	175,000	162,203	155,109	(7,094)
Other Financing Uses				
Transfers Out	(139,315)	(139,315)	(139,315)	0
<i>Net Change in Fund Balance</i>	35,685	22,888	15,794	(7,094)
<i>Fund Balance Beginning of Year</i>	680,642	680,642	680,642	0
<i>Fund Balance End of Year</i>	<u>\$716,327</u>	<u>\$703,530</u>	<u>\$696,436</u>	<u>(\$7,094)</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
HUD Housing Rehabilitation:				
Capital Outlay	777,052	777,052	728,806	48,246
<i>Excess of Revenues Under Expenditures</i>	(777,052)	(777,052)	(728,806)	48,246
Other Financing Sources (Uses)				
Sale of Capital Assets	268,701	268,701	254,200	(14,501)
Advances In	420,000	420,000	420,000	0
Advances Out	(100,000)	(100,000)	(100,000)	0
<i>Total Other Financing Sources (Uses)</i>	588,701	588,701	574,200	(14,501)
<i>Net Change in Fund Balance</i>	(188,351)	(188,351)	(154,606)	33,745
<i>Fund Balance Beginning of Year</i>	151,302	151,302	151,302	0
Prior Year Encumbrances Appropriated	37,049	37,049	37,049	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$33,745	\$33,745

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$4,859	\$1,859
Expenditures				
Current:				
General Government:				
Indigent Interlock and Monitoring:				
Other	3,000	3,000	0	3,000
<i>Net Change in Fund Balance</i>	0	0	4,859	4,859
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$4,859</u>	<u>\$4,859</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Trust Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,500	\$1,500	\$217	(\$1,283)
Other	50	50	25	(25)
<i>Total Revenues</i>	1,550	1,550	242	(1,308)
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery Trust:				
Other	2,000	2,000	400	1,600
<i>Net Change in Fund Balance</i>	(450)	(450)	(158)	292
<i>Fund Balance Beginning of Year</i>	43,000	43,000	43,000	0
<i>Fund Balance End of Year</i>	\$42,550	\$42,550	\$42,842	\$292

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$808,015	\$619,720	\$626,789	\$7,069
Interest	14,000	14,000	6,930	(7,070)
<i>Total Revenues</i>	<u>822,015</u>	<u>633,720</u>	<u>633,719</u>	<u>(1)</u>
Expenditures				
Debt Service:				
Principal Retirement	589,390	589,390	589,389	1
Interest and Fiscal Charges	458,445	458,445	458,442	3
<i>Total Expenditures</i>	<u>1,047,835</u>	<u>1,047,835</u>	<u>1,047,831</u>	<u>4</u>
<i>Excess of Revenues Under Expenditures</i>	(225,820)	(414,115)	(414,112)	3
Other Financing Sources				
Transfers In	219,315	394,315	394,315	0
<i>Net Change in Fund Balance</i>	(6,505)	(19,800)	(19,797)	3
<i>Fund Balance Beginning of Year</i>	<u>20,324</u>	<u>20,324</u>	<u>20,324</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$13,819</u></u>	<u><u>\$524</u></u>	<u><u>\$527</u></u>	<u><u>\$3</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$85,616	\$85,616	\$103,118	\$17,502
Interest	6,384	6,384	6,784	400
<i>Total Revenues</i>	92,000	92,000	109,902	17,902
Expenditures				
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest and Fiscal Charges	26,440	26,440	26,440	0
<i>Total Expenditures</i>	86,440	86,440	86,440	0
<i>Excess of Revenues Over Expenditures</i>	5,560	5,560	23,462	17,902
Other Financing Uses				
Transfers Out	0	(200,000)	(200,000)	0
<i>Net Change in Fund Balance</i>	5,560	(194,440)	(176,538)	17,902
<i>Fund Balance Beginning of Year</i>	228,371	228,371	228,371	0
<i>Fund Balance End of Year</i>	\$233,931	\$33,931	\$51,833	\$17,902

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Improvement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$137,000	\$137,000	\$97,756	(\$39,244)
Interest	13,000	13,000	7,651	(5,349)
<i>Total Revenues</i>	150,000	150,000	105,407	(44,593)
Expenditures				
Capital Outlay:				
Municipal Court Improvement:				0
Capital Outlay	80,000	16,000	12,844	3,156
Other	80,000	144,000	143,505	495
<i>Total Expenditures</i>	160,000	160,000	156,349	3,651
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	(50,942)	(40,942)
<i>Fund Balance Beginning of Year</i>	453,878	453,878	453,878	0
<i>Fund Balance End of Year</i>	\$443,878	\$443,878	\$402,936	(\$40,942)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$88,956	\$392	(\$88,564)
Interest	18,000	18,000	12,861	(5,139)
<i>Total Revenues</i>	18,000	106,956	13,253	(93,703)
Expenditures				
Capital Outlay	809,304	563,340	510,086	53,254
<i>Excess of Revenues Under Expenditures</i>	(791,304)	(456,384)	(496,833)	(40,449)
Other Financing Sources				
Sale of Capital Assets	0	17,899	17,899	0
Transfers In	200,000	200,000	200,000	0
<i>Total Other Financing Sources</i>	200,000	217,899	217,899	0
<i>Net Change in Fund Balance</i>	(591,304)	(238,485)	(278,934)	(40,449)
<i>Fund Balance Beginning of Year</i>	653,451	653,451	653,451	0
Prior Year Encumbrances Appropriated	122,304	122,304	122,304	0
<i>Fund Balance End of Year</i>	\$184,451	\$537,270	\$496,821	(\$40,449)

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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$2,243,850	\$2,243,850	\$2,119,243	(\$124,607)
Interest	21,000	21,000	13,602	(7,398)
Other	29,000	29,000	0	(29,000)
<i>Total Revenues</i>	<u>2,293,850</u>	<u>2,293,850</u>	<u>2,132,845</u>	<u>(161,005)</u>
Expenses				
Contractual Services	400,000	368,000	360,603	7,397
Claims	2,096,200	2,128,200	1,846,938	281,262
<i>Total Expenses</i>	<u>2,496,200</u>	<u>2,496,200</u>	<u>2,207,541</u>	<u>288,659</u>
<i>Net Change in Fund Equity</i>	(202,350)	(202,350)	(74,696)	127,654
<i>Fund Equity Beginning of Year</i>	462,843	462,843	462,843	0
Prior Year Encumbrances Appropriated	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$262,293</u>	<u>\$262,293</u>	<u>\$389,947</u>	<u>\$127,654</u>

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S TATISTICAL

S ECTION

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S15</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S16 – S23</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S24 – S31</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S32 – S35</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S36 – S53</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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City of Bedford, Ohio
Net Asssets By Component
Last Eight Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$24,376,061	\$25,879,539	\$27,216,162	\$27,242,739
Restricted:				
Capital Projects	410,909	952,794	974,982	1,171,756
Debt Service	624,790	933,485	1,181,876	1,321,616
Municipal Courts	714,104	698,237	0	0
Fire	0	161,449	134,774	522,030
Streets	1,098,471	1,441,636	1,493,516	1,162,070
Community Development	201,776	366,176	0	0
Street Lighting	647,086	621,919	0	0
Other Purposes	459,359	720,655	2,524,936	1,746,159
Unrestricted	9,786,893	10,695,092	11,350,256	11,720,851
<i>Total Governmental Activities</i> <i>Net Assets</i>	38,319,449	42,470,982	44,876,502	44,887,221
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	5,780,208	5,058,014	4,527,360	3,285,261
Restricted:				
Renewal and Replacement	0	0	0	0
Unrestricted	4,343,937	4,420,694	3,766,979	4,145,274
<i>Total Business-Type Activities</i> <i>Net Assets</i>	10,124,145	9,478,708	8,294,339	7,430,535
Primary Government				
Invested in Capital Assets, Net of Related Debt	30,156,269	30,937,553	31,743,522	30,528,000
Restricted	4,156,495	5,896,351	6,310,084	5,923,631
Unrestricted	14,130,830	15,115,786	15,117,235	15,866,125
<i>Total Primary Government</i> <i>Net Assets</i>	\$48,443,594	\$51,949,690	\$53,170,841	\$52,317,756

2005	2004	2003	2002
\$29,561,437	\$29,950,309	\$30,244,755	\$27,844,368
1,356,429	1,719,410	3,057,559	4,707,736
1,143,792	1,247,181	1,176,626	1,366,567
0	0	0	0
423,999	362,312	97,233	32,999
1,294,088	1,371,972	1,183,863	1,143,523
0	0	0	0
0	0	0	0
701,410	1,317,826	1,270,059	1,331,643
10,220,472	8,236,154	9,350,789	10,243,418
<u>44,701,627</u>	<u>44,205,164</u>	<u>46,380,884</u>	<u>46,670,254</u>
2,842,724	2,638,318	1,356,691	1,185,779
0	0	0	1,196,296
<u>4,335,387</u>	<u>3,961,305</u>	<u>4,260,063</u>	<u>2,369,303</u>
<u>7,178,111</u>	<u>6,599,623</u>	<u>5,616,754</u>	<u>4,751,378</u>
32,404,161	32,588,627	31,601,446	29,030,147
4,919,718	6,018,701	6,785,340	9,778,764
<u>14,555,859</u>	<u>12,197,459</u>	<u>13,610,852</u>	<u>12,612,721</u>
<u>\$51,879,738</u>	<u>\$50,804,787</u>	<u>\$51,997,638</u>	<u>\$51,421,632</u>

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

	2009	2008	2007
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$1,934,236	\$2,226,427	\$2,205,689
Security of Persons and Property:			
Police	65,680	32,779	53,907
Fire	397,435	311,809	257,282
Public Health and Welfare	45,060	39,230	40,510
Leisure Time Activities	126,569	112,805	96,845
Community Development	284,584	339,374	278,011
Basic Utility Services	334,195	323,511	291,969
Subtotal - Charges for Services	<u>3,187,759</u>	<u>3,385,935</u>	<u>3,224,213</u>
Operating Grants and Contributions:			
General Government	501,895	441,910	427,621
Security of Persons and Property:			
Police	478,920	362,903	362,556
Fire	221,427	409,838	25,100
Public Health and Welfare	23,293	13,399	14,102
Leisure Time Activities	7,500	0	0
Community Development	113,029	101,163	114,687
Basic Utility Services	0	0	0
Transportation	620,287	668,247	661,345
Subtotal - Operating Grants and Contributions	<u>1,966,351</u>	<u>1,997,460</u>	<u>1,605,411</u>
Capital Grants and Contributions:			
Community Development	0	0	0
Transportation	392	227,431	307,611
Basic Utility Services	0	0	0
Subtotal - Capital Grants and Contributions	<u>392</u>	<u>227,431</u>	<u>307,611</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,154,502</u>	<u>5,610,826</u>	<u>5,137,235</u>
Business-Type Activities:			
Charges for Services:			
Water	4,020,958	3,729,987	3,521,515
Wastewater	2,116,968	2,091,081	2,058,390
Capital Grants and Contributions			
Water	0	0	331,940
Wastewater	0	7,766	222,469
<i>Total Business-Type Activities Program Revenues</i>	<u>6,137,926</u>	<u>5,828,834</u>	<u>6,134,314</u>
<i>Total Primary Government Program Revenues</i>	<u>\$11,292,428</u>	<u>\$11,439,660</u>	<u>\$11,271,549</u>

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

(continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses			
Governmental Activities:			
General Government	\$4,928,374	\$5,323,310	\$5,106,413
Security of Persons and Property:			
Police	5,359,101	5,446,671	5,452,247
Fire	3,598,515	4,097,079	3,620,839
Public Health and Welfare	166,753	221,252	193,518
Leisure Time Activities	1,386,520	1,503,009	1,609,539
Community Development	912,620	729,553	633,811
Basic Utility Services	1,046,474	1,027,983	888,600
Transportation	4,447,747	4,786,782	4,221,135
Interest and Fiscal Charges	566,322	592,927	615,603
<i>Total Governmental Activities Expenses</i>	<u>22,412,426</u>	<u>23,728,566</u>	<u>22,341,705</u>
Business-Type Activities			
Water	3,854,565	3,231,458	3,472,856
Wastewater	2,024,262	1,880,937	2,347,908
<i>Total Business-Type Activities Expenses</i>	<u>5,878,827</u>	<u>5,112,395</u>	<u>5,820,764</u>
<i>Total Primary Government Program Expenses</i>	<u>28,291,253</u>	<u>28,840,961</u>	<u>28,162,469</u>
Net (Expense)/Revenue			
Governmental Activities	(17,257,924)	(18,117,740)	(17,204,470)
Business-Type Activities	259,099	716,439	313,550
<i>Total Primary Government Net Expense</i>	<u><u>(\$16,998,825)</u></u>	<u><u>(\$17,401,301)</u></u>	<u><u>(\$16,890,920)</u></u>

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

(continued)

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

	2009	2008	2007
General Revenues and Other			
Changes in Net Assets			
Governmental Activities			
Taxes:			
Property and Taxes Levied For:			
General Purposes	\$2,340,611	\$2,436,161	\$2,648,487
Public Safety	943,569	880,740	957,466
Municipal Income Taxes levied for:			
General Purposes	7,616,052	9,098,927	9,852,161
Debt Service	626,789	680,711	769,619
Capital Outlay	0	0	0
Grants and Entitlements not Restricted to			
Specific Programs	950,510	1,852,030	1,735,202
Investment Income	172,163	411,024	750,070
Gain on Sale of Capital Assets	145,395	114,650	38,742
Miscellaneous	311,302	237,977	442,004
<i>Total Governmental Activities</i>	<u>13,106,391</u>	<u>15,712,220</u>	<u>17,193,751</u>
Business-Type Activities			
Municipal Income Taxes levied for:			
Other Purpose - Wastewater	250,344	291,734	329,833
Investment Income	90,936	145,854	189,673
Gain on Sale of Capital Assets	0	0	0
Miscellaneous	45,058	30,342	30,748
<i>Total Business-Type Activities</i>	<u>386,338</u>	<u>467,930</u>	<u>550,254</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>13,492,729</u>	<u>16,180,150</u>	<u>17,744,005</u>
Change in Net Assets			
Governmental Activities	(4,151,533)	(2,405,520)	(10,719)
Business-Type Activities	645,437	1,184,369	863,804
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$3,506,096)</u></u>	<u><u>(\$1,221,151)</u></u>	<u><u>\$853,085</u></u>

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

City of Bedford, Ohio
Fund Balances, Governmental Funds
Last Two Years
(modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>
General Fund		
Nonspendable	\$166,953	\$205,924
Restricted	0	0
Committed	517	0
Assigned	66,615	614,578
Unassigned	<u>8,431,130</u>	<u>9,627,764</u>
 <i>Total General Fund</i>	 <u>8,665,215</u>	 <u>10,448,266</u>
 All Other Governmental Funds		
Nonspendable	127,351	49,844
Restricted	3,268,902	3,434,707
Committed	6,158	0
Assigned	<u>297,817</u>	<u>437,035</u>
 <i>Total All Other Governmental Funds</i>	 <u>3,700,228</u>	 <u>3,921,586</u>
 <i>Total Governmental Funds</i>	 <u><u>\$12,365,443</u></u>	 <u><u>\$14,369,852</u></u>

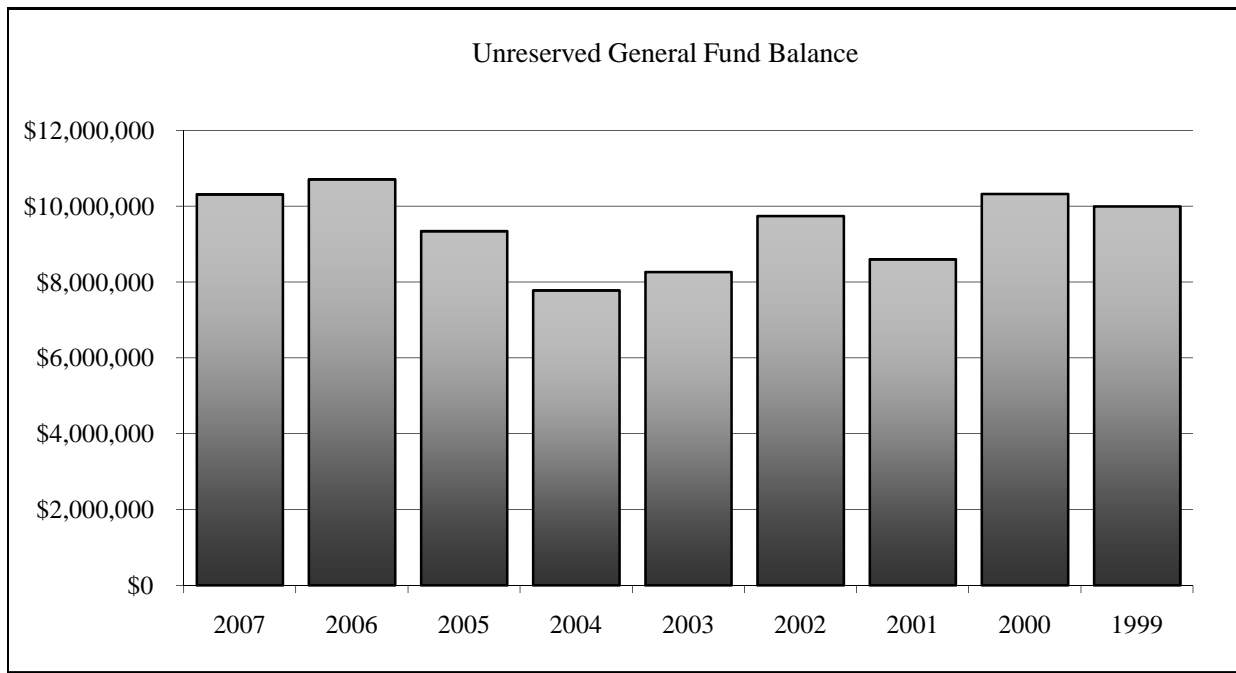
Note: The City implemented GASB 54 in 2009.

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

	2007	2006	2005
General Fund			
Reserved	\$78,845	\$123,858	\$125,743
Unreserved	10,313,325	10,708,438	9,341,622
Total General Fund	<u>10,392,170</u>	<u>10,832,296</u>	<u>9,467,365</u>
All Other Governmental Funds			
Reserved	836,062	1,713,841	1,070,584
Unreserved, Undesignated, Reported in:			
Special Revenue funds	3,398,068	2,536,991	1,706,315
Debt Service funds	443,234	536,692	238,235
Capital Projects funds	823,158	915,568	908,542
Total All Other Governmental Funds	<u>5,500,522</u>	<u>5,703,092</u>	<u>3,923,676</u>
Total Governmental Funds	<u><u>\$15,892,692</u></u>	<u><u>\$16,535,388</u></u>	<u><u>\$13,391,041</u></u>

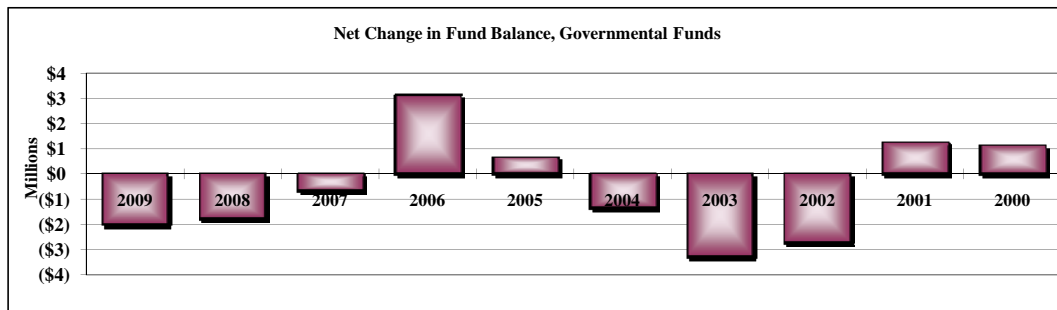
Note: During 2009, the City implemented GASB 54.



2004	2003	2002	2001	2000
\$183,862	\$93,979	\$111,332	\$311,581	\$121,578
7,780,251	8,266,852	9,742,716	8,598,221	10,323,310
7,964,113	8,360,831	9,854,048	8,909,802	10,444,888
1,118,261	1,671,140	3,501,721	10,728,155	2,165,397
1,982,268	1,851,040	1,939,063	1,854,500	1,506,578
240,837	301,642	330,600	424,372	375,887
1,445,177	1,931,071	1,778,295	(1,785,344)	4,411,400
4,786,543	5,754,893	7,549,679	11,221,683	8,459,262
<u>\$12,750,656</u>	<u>\$14,115,724</u>	<u>\$17,403,727</u>	<u>\$20,131,485</u>	<u>\$18,904,150</u>

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

	2009	2008	2007	2006	2005
Revenues					
Property Taxes	\$3,311,558	\$3,314,450	\$3,570,124	\$3,333,834	\$3,540,788
Municipal Income Taxes	8,528,730	9,401,167	10,648,355	11,769,832	10,833,996
Charges for Services	1,029,766	774,816	699,046	592,280	694,247
Fees, Licenses and Permits	162,453	207,702	292,484	186,128	147,565
Fines and Forfeitures	1,746,097	1,917,688	1,768,546	1,512,922	1,470,857
Intergovernmental	2,908,431	3,954,097	3,535,460	3,556,398	3,503,173
Special Assessments	425,542	449,480	498,755	399,087	416,712
Contributions and Donations	40,855	0	45,100	0	0
Interest	158,561	386,021	723,195	634,911	254,732
Rentals	15,480	14,290	20,010	8,563	0
Other	311,302	237,977	442,004	301,092	393,507
Total Revenues	18,638,775	20,657,688	22,243,079	22,295,047	21,255,577
Expenditures					
Current:					
General Government	4,652,214	4,833,025	4,619,198	4,533,556	4,151,780
Security of Persons and Property:					
Police	5,265,227	5,296,548	5,347,238	4,820,692	4,558,302
Fire	3,421,428	3,967,593	3,833,850	3,241,431	3,297,888
Public Health and Welfare	161,799	210,749	189,816	165,494	165,551
Leisure Time Activities	1,313,051	1,408,141	1,459,829	1,572,900	1,460,622
Community Development	911,782	1,728,246	1,034,540	1,043,168	1,876,405
Basic Utilities Services	1,046,474	1,025,646	879,667	839,357	735,683
Transportation	2,362,348	2,674,815	2,524,594	2,282,383	2,280,367
Capital Outlay	534,808	474,873	1,865,496	1,008,659	1,007,907
Debt Service:					
Principal Retirement	665,084	652,402	599,739	519,787	513,968
Interest and Fiscal Charges	493,363	519,709	572,980	401,043	584,173
Bond Issuance Costs	0	0	0	185,268	0
Total Expenditures	20,827,578	22,791,747	22,926,947	20,613,738	20,632,646
Excess of Revenues Over (Under) Expenditures	(2,188,803)	(2,134,059)	(683,868)	1,681,309	622,931
Other Financing Sources (Uses)					
Sale of Capital Assets	147,670	336,433	41,172	29,703	80,804
Gain on Sale of Assets	36,724	0	0	0	0
Proceeds from Hospital	0	0	0	0	0
Manuscript Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	8,929,000	0
Premium on Bonds Issued	0	0	0	60,111	0
Discount on Bonds Issued	0	0	0	(54,376)	0
Payment to Refunded Bond Escrow Agent	0	0	0	(7,501,400)	0
Inception of Capital Lease	0	40,845	0	0	16,650
Transfers In	3,554,148	4,701,390	5,874,801	4,847,314	4,551,897
Transfers Out	(3,554,148)	(4,701,390)	(5,874,801)	(4,847,314)	(4,631,897)
Total Other Financing Sources (Uses)	184,394	377,278	41,172	1,463,038	17,454
Net Change in Fund Balances	(\$2,004,409)	(\$1,756,781)	(\$642,696)	\$3,144,347	\$640,385
Debt Service as a Percentage of Noncapital Expenditures					
	5.8%	5.5%	5.8%	5.7%	5.9%



2004	2003	2002	2001	2000
\$3,349,741	\$3,052,678	\$3,220,330	\$5,414,988	\$4,896,615
9,472,207	9,084,589	10,124,623	8,936,404	9,098,951
652,848	652,253	574,762	470,216	450,995
118,615	126,644	138,713	119,478	127,469
1,463,728	1,422,916	1,043,171	1,159,891	818,085
3,306,031	2,692,894	3,087,774	2,476,698	1,192,488
366,902	350,470	374,681	423,688	357,317
0	0	0	0	0
148,847	199,101	449,195	1,099,035	1,094,591
0	0	0	0	0
322,239	289,472	227,074	491,427	235,550
19,201,158	17,871,017	19,240,323	20,591,825	18,272,061
4,143,464	4,203,294	3,588,172	3,526,175	3,478,323
4,551,955	4,427,282	3,841,773	3,883,783	3,811,647
3,206,450	2,552,163	2,889,019	2,053,176	2,013,174
211,537	246,935	217,804	232,125	195,743
1,297,764	1,239,885	1,277,894	1,010,467	1,072,776
970,143	1,117,917	1,072,361	615,877	403,115
752,653	856,764	729,050	761,940	258,135
2,196,645	2,054,180	1,915,424	1,719,426	1,730,093
2,097,823	4,009,134	12,652,137	4,800,947	3,308,034
554,109	489,052	443,108	328,189	192,260
597,783	733,594	319,422	529,909	382,241
0	47,999	224,917	0	0
20,580,326	21,978,199	29,171,081	19,462,014	16,845,541
(1,379,168)	(4,107,182)	(9,930,758)	1,129,811	1,426,520
59,100	819,179	3,000	0	21,296
0	0	0	0	0
0	0	0	87,500	0
0	0	0	0	200,000
0	0	7,200,000	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
6,810,084	6,627,043	5,364,594	7,201,348	6,052,255
(6,855,084)	(6,627,043)	(5,364,594)	(7,191,324)	(6,561,251)
14,100	819,179	7,203,000	97,524	(287,700)
(\$1,365,068)	(\$3,288,003)	(\$2,727,758)	\$1,227,335	\$1,138,820
6.6%	7.6%	6.4%	6.2%	4.4%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$172,280,760	\$108,449,470	\$802,086,371	\$6,468,910	\$7,351,034
2008	171,872,930	101,454,280	780,934,886	8,318,020	9,452,295
2007	152,499,920	89,128,130	690,365,857	8,552,600	9,718,864
2006	152,594,310	87,156,280	685,001,686	9,323,120	10,594,455
2005	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2004	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818
2003	137,816,380	81,783,120	627,427,143	10,282,780	11,684,977
2002	137,814,680	82,927,810	630,692,829	11,224,870	12,755,534
2001	120,510,280	73,536,000	554,417,943	12,821,650	14,570,057
2000	120,230,080	74,290,830	555,774,029	12,856,640	14,609,818

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

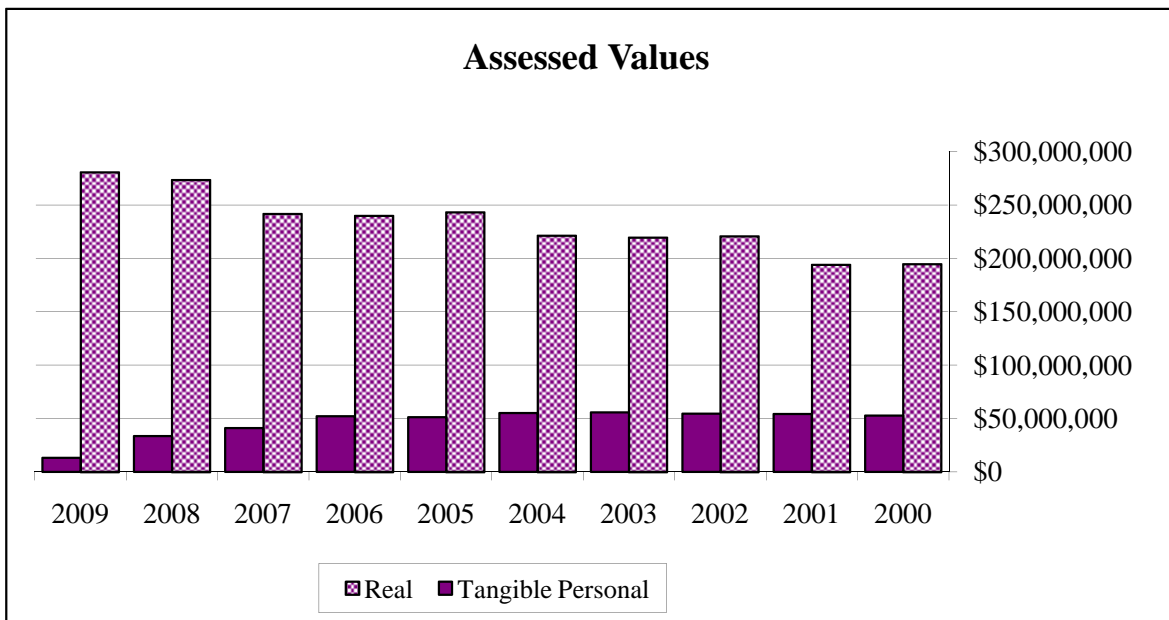
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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).

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		
\$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	8.92
41,641,465	181,049,848	294,249,915	886,322,708	33.20	8.92
45,552,210	189,800,875	276,354,300	832,745,122	33.19	8.92
45,366,712	189,027,967	275,248,992	828,140,087	33.24	8.92
43,255,357	173,021,428	275,222,717	816,469,791	33.71	8.92
41,445,946	165,783,784	248,313,876	734,771,784	33.79	8.92
39,817,596	159,270,384	247,195,146	729,654,231	33.88	8.92



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

	2009	2008	2007	2006	2005
Unvoted Millage					
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
Voted Millage - by levy					
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000	2.8000
<i>Total Voted Millage</i>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>	<u>8.9200</u>
Total Millage	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>	<u><u>\$12.8000</u></u>
Overlapping Rates by Taxing District					
Bedford City School District					
Residential/Agricultural Real	\$38.6966	\$30.9967	\$31.0146	\$31.0133	\$33.9158
Commerical/Industrial and Public Utility Real	48.1831	14.8100	42.9154	43.1055	44.6558
General Business and Public Utility Personal	72.5000	67.6000	67.6000	67.6000	67.4000
Cuyahoga County					
Residential/Agricultural Real	13.1789	12.6607	11.8689	11.8655	11.7227
Commerical/Industrial and Public Utility Real	12.8457	12.8153	12.4536	12.4941	12.5762
General Business and Public Utility Personal	13.3200	13.3200	13.4200	13.4200	13.5200
Special Taxing Districts (1)					
Residential/Agricultural Real	7.0069	6.6597	5.9676	5.9669	6.2900
Commerical/Industrial and Public Utility Real	6.9119	6.8911	6.2518	6.2727	6.5552
General Business and Public Utility Personal	7.2800	7.2800	6.7800	6.7800	6.7800

Source: Cuyahoga County Auditor

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

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

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

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

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

2004	2003	2002	2001	2000
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000
8.9200	8.9200	8.9200	8.9200	8.9200
\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$33.8874	\$28.9913	\$31.2275	\$31.2314	\$31.3060
44.6073	39.4438	39.9366	39.9540	39.9684
67.4000	62.5000	62.5000	62.5000	62.5000

10.9754	10.9899	12.4609	11.3815	11.3967
11.9846	12.0433	12.8764	12.0023	11.9298
13.5200	13.5200	14.6500	14.6500	14.6500

6.2880	4.7783	2.5323	2.5354	2.5422
6.5067	5.1811	2.5497	2.5320	2.5253
6.7800	5.8800	2.9500	2.9500	2.9500

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2009	\$3,695,369	\$3,465,784	93.79%	\$152,322	\$3,618,105
2008	3,605,768	3,338,117	92.58	156,286	3,494,403
2007	3,573,911	3,341,562	93.50	180,513	3,522,075
2006	3,209,968	2,981,412	92.88	112,964	3,094,376
2005	3,180,491	3,043,735	95.70	143,694	3,187,429
2004	3,233,136	3,014,061	93.22	44,237	3,058,298
2003	2,956,252	2,804,509	94.87	99,856	2,904,365
2002	2,945,300	2,797,393	94.98	150,618	2,948,011
2001	2,961,620	2,790,577	94.22	90,090	2,880,667
2000	2,634,161	2,559,951	97.18	73,816	2,633,767

Source: Cuyahoga County, Ohio; County Auditor

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

Note: The County does not maintain delinquency information by tax year.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
97.91%	\$435,233	11.78%
96.91	443,464	12.30
98.55	366,241	10.25
96.40	304,742	9.49
100.22	220,549	6.93
94.59	327,785	10.14
98.24	273,875	9.26
100.09	199,186	6.76
97.27	191,148	6.45
99.99	106,576	4.05

City of Bedford, Ohio
Principal Real Property Taxpayers
 2009 and 2000

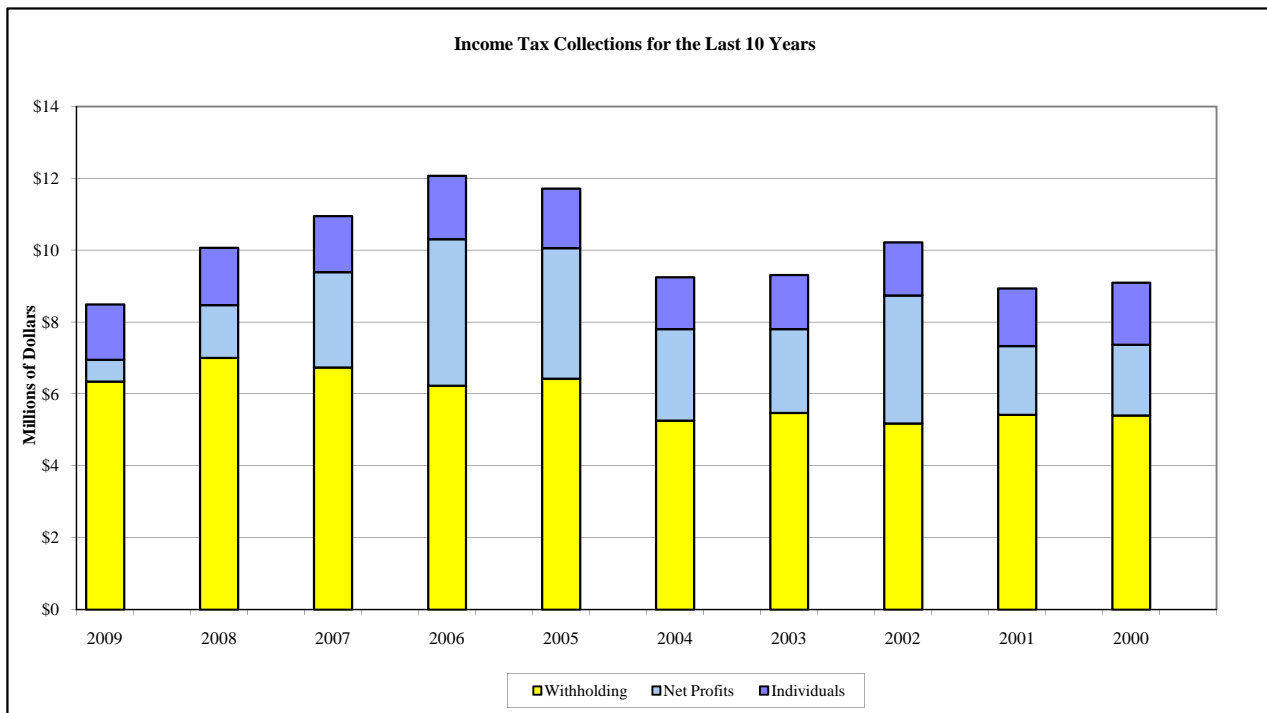
<i>2009</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Ben Venue	\$12,788,910	4.55 %
Bear Creek Property Company	7,259,170	2.59
Wal-Mart Stores	6,610,700	2.35
Cleveland Electric Illuminating Company	5,779,450	2.06
Bedford Colony Club Apartments	4,571,110	1.63
University Hospitals Health Systems	3,479,780	1.24
CSH-ING Woodside Village	3,164,040	1.13
HIN, LLC	2,800,010	1.00
Nextgen Group	2,141,170	0.76
Colony Club Apartments II	1,868,860	0.67
Total	\$50,463,200	17.98 %
Total Assessed Valuation	\$280,730,230	
<i>2000</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bear Creek Property Company	\$7,180,080	3.69 %
Cleveland Electric Illuminating Company	6,365,190	3.27
Bedford Colony Club Apartments	5,905,100	3.04
Meadowbrook Development Corporation	5,567,580	2.86
Ohio Bell Telephone Company	3,262,560	1.68
Boehringer Ingelheim Corporation (Ben Venue)	3,244,510	1.67
Aspen Woodside Village LLC	3,097,570	1.59
L.G.S Properties/Lee Seidman	3,052,150	1.57
Pick-N-Pay Supermarkets, Incorporated	2,700,010	1.39
Bedford Green	1,642,030	0.84
Total	\$42,016,780	21.60 %
Total Assessed Valuation	\$194,520,910	

Source: Cuyahoga County Auditor

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

Tax Year (1)	Tax Rate (2)	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
2009	2.25%	\$8,493,185	\$6,351,204	74.78%	\$601,317	7.08%	\$1,540,664	18.14%
2008	2.25	10,071,372	7,007,660	69.58	1,472,435	14.62	1,591,277	15.80
2007	2.25	10,951,613	6,739,622	61.54	2,654,671	24.24	1,557,320	14.22
2006	2.25	12,078,770	6,229,296	51.57	4,082,128	33.80	1,767,346	14.63
2005	2.25	11,715,253	6,430,025	54.89	3,631,690	31.00	1,653,538	14.11
2004	2.25	9,249,995	5,264,879	56.92	2,547,691	27.54	1,437,425	15.54
2003	2.25	9,315,967	5,470,228	58.72	2,337,310	25.09	1,508,429	16.19
2002	2.25	10,223,290	5,181,699	50.69	3,562,665	34.85	1,478,926	14.46
2001	2.25	8,936,404	5,424,327	60.70	1,908,505	21.36	1,603,572	17.94
2000	2.25	9,098,951	5,400,054	59.35	1,967,918	21.63	1,730,979	19.02

- (1) 2002 through 2008 are on an Accrual Basis and 2000 through 2001 are on a Modified Accrual Basis
- (2) Effective January 1, 2000 City of Bedford Electors voted to increase the City income tax by .25% to generate proceeds to be used for the construction of the new Municipal Complex which includes a new Municipal Court.
- (3) The City is statutorily prohibited from presenting individual taxpayer information.



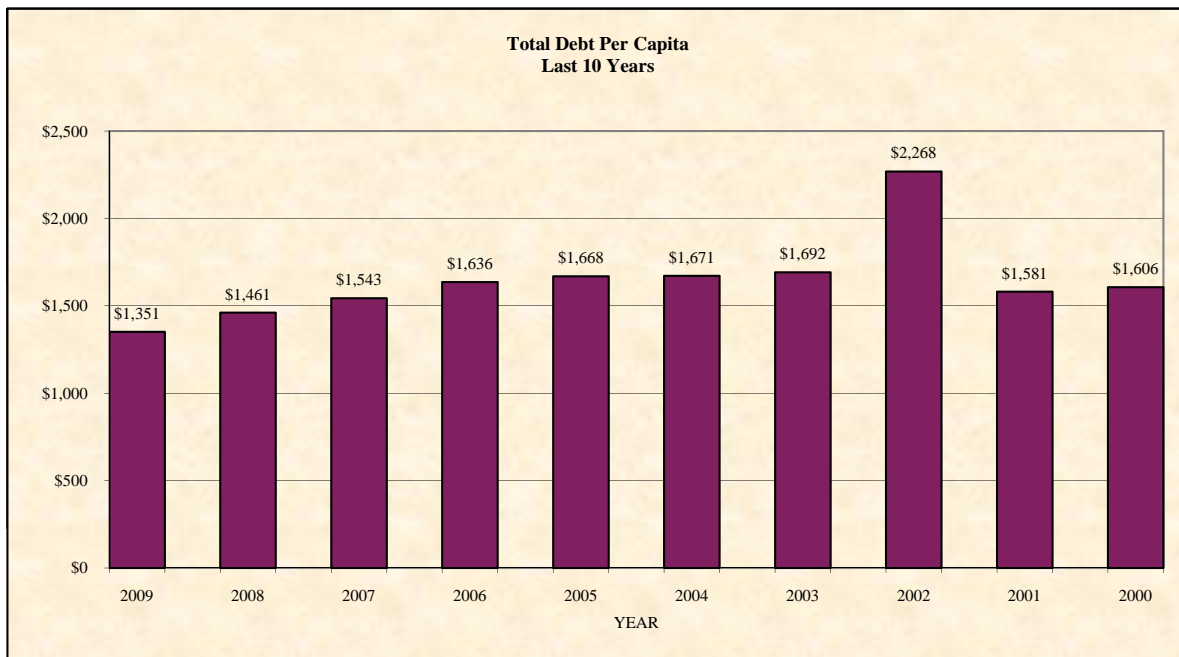
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	Bond Anticipation Notes	
2009	\$10,341,088	\$370,000	\$385,388	\$31,102	\$190,131	\$0	\$1,919,316
2008	10,861,303	430,000	433,577	42,712	194,216	0	2,145,609
2007	11,363,218	500,000	481,766	9,263	198,133	0	2,360,202
2006	11,816,833	570,000	529,955	12,458	201,888	0	2,563,095
2005	10,780,000	635,000	578,144	15,456	205,488	591,850	2,088,206
2004	11,165,000	710,000	626,333	1,133	208,940	0	2,261,551
2003	11,590,000	785,000	674,522	3,743	212,250	0	2,434,896
2002	11,855,000	850,000	722,711	111,432	215,424	5,000,000	3,210,000
2001	4,880,000	915,000	770,900	213,308	218,467	5,000,000	655,000
2000	5,095,000	980,000	819,089	309,684	221,385	5,000,000	680,000

Note: Population and Personal Income data are presented on page S34.

Business-Type Activities

Special Assessment Bonds	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$0	\$4,729,073	\$1,243,418	\$0	\$19,209,516	6.73%	\$1,351
0	0	5,442,910	1,210,512	0	20,760,839	7.28	1,461
0	0	6,121,100	899,418	0	21,933,100	7.69	1,543
0	0	6,765,264	793,921	0	23,253,414	8.15	1,636
0	0	7,376,946	835,931	608,150	23,715,171	8.31	1,668
40,000	0	7,957,546	785,311	0	23,755,814	8.32	1,671
80,000	0	8,224,551	45,796	0	24,050,758	8.43	1,692
120,000	1,070,000	8,366,857	49,959	670,400	32,241,783	11.30	2,268
155,000	1,145,000	7,793,761	54,122	670,400	22,470,958	7.87	1,581
190,000	1,215,000	8,264,574	58,287	0	22,833,019	8.00	1,606



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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated True Values of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2009	14,214	a	\$917,389,246	\$10,341,088	1.13 %	\$727.53
2008	14,214	a	992,180,325	10,861,303	1.09	764.13
2007	14,214	a	874,106,513	11,363,218	1.15	799.44
2006	14,214	a	881,166,405	11,816,833	1.34	831.35
2005	14,214	a	881,166,405	10,780,000	1.22	758.41
2004	14,214	a	886,322,708	11,165,000	1.26	785.49
2003	14,214	a	832,745,122	11,590,000	1.39	815.39
2002	14,214	a	828,140,087	11,855,000	1.43	834.04
2001	14,214	a	816,469,791	5,535,000	0.68	389.40
2000	14,214	a	734,771,784	5,775,000	0.79	406.29

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 (a) 2000 Federal Census
- (2) Cuyahoga County Auditor
- (3) Includes all general obligation bonded debt with the exception
 of Special Assessment debt.

City of Bedford, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
Direct - City of Bedford			
General Obligation Bonds	\$10,341,088	100.00%	\$10,341,088
Special Assessment Bonds	370,000	100.00%	370,000
OPWC Loans	385,388	100.00%	385,388
Capital Leases	31,102	100.00%	31,102
Police Pension	190,131	100.00%	190,131
<i>Total Direct Debt</i>	<u>11,317,709</u> *		<u>11,317,709</u>
Overlapping			
Bedford School District			
General Obligation Bonds	6,036,750	37.68%	2,274,647
Loans	274,000	37.68%	103,243
Capital Leases	144,000	37.68%	54,259
Cuyahoga County			
General Obligation Bonds	336,472,572	0.92%	3,095,548
Capital Leases	4,421,676	0.92%	40,679
Revenue Bonds	186,970,000	0.92%	1,720,124
Loans	7,842,488	0.92%	72,151
Greater Cleveland Regional Transit Authority			
	<u>163,025,000</u>	0.92%	<u>1,499,830</u>
<i>Total Overlapping Debt</i>	<u>705,186,486</u>		<u>8,860,482</u>
Total	<u><u>\$716,504,195</u></u>		<u><u>\$20,178,191</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.

* \$9,590,000 of the total \$10,341,088 of total outstanding general obligation debt is backed by two revenue sources.

\$7,532,920 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.

\$1,682,134 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$370,000 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 \$9,585,054 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio
Legal Debt Margin
Last Ten Years

	2009	2008	2007	2006	2005
Population	14,214	14,214	14,214	14,214	14,214
Total Assessed Property Value	<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>
General Bonded Debt Outstanding:					
General Obligation Notes/Bonds	\$12,680,000	\$13,455,000	\$14,200,000	\$14,379,928	\$12,925,000
General Obligation Revenue Notes/Bonds	0	0	0	0	0
Special Assessment Bonds	370,000	430,000	500,000	570,000	635,000
Bond Anticipation Notes	0	0	0	0	1,200,000
OPWC Loans	1,628,806	1,644,089	1,381,184	1,323,876	615,614
OWDA Loans	<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>
Total Gross Indebtedness	19,670,040	21,303,922	22,607,969	23,518,515	23,305,769
Less:					
General Obligation Notes/Bonds	(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)
General Obligation Revenue Notes/Bonds	0	0	0	0	0
Special Assessment Bonds	(370,000)	(430,000)	(500,000)	(570,000)	(635,000)
OPWC Loans	(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)	(615,614)
OWDA Loans	(4,991,234)	(5,774,833)	(6,526,785)	(7,244,711)	(7,930,155)
General Obligation Bond Retirement Fund Balance	<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>
Total Net Debt Applicable to Debt Limit	<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>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>30,864,344</u>	<u>32,221,284</u>	<u>29,695,022</u>	<u>30,634,261</u>	<u>30,896,241</u>
Legal Debt Margin Within 10 ½ % Limitations	<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>
Legal Debt Margin as a Percentage of the Debt Limit	90.70%	90.33%	90.37%	92.11%	90.15%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<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>
Total Gross Indebtedness	19,670,040	21,303,922	22,607,969	23,518,515	23,305,769
Less:					
General Obligation Notes/Bonds	(9,809,700)	(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)
General Obligation Revenue Notes/Bonds	0	0	0	0	0
Special Assessment Bonds	(370,000)	(430,000)	(500,000)	(570,000)	(635,000)
OPWC Loans	(1,628,806)	(1,488,054)	(1,381,184)	(1,323,876)	(615,614)
OWDA Loans	(4,991,234)	(5,774,833)	(6,526,785)	(7,244,711)	(7,930,155)
General Obligation Bond Retirement Fund Balance	<u>(527)</u>	<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>
Net Debt Within 5 ½ % Limitations	<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>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<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>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	82.25%	81.53%	81.61%	84.94%	81.20%

Source: City Financial Records

2004	2003	2002	2001	2000
14,214	14,214	14,214	14,214	14,214
<u>\$276,354,300</u>	<u>\$275,248,992</u>	<u>\$275,222,717</u>	<u>\$248,313,876</u>	<u>\$247,195,146</u>
\$13,490,000	\$14,095,000	\$15,065,000	\$5,545,714	\$5,775,000
0	0	1,070,000	1,145,000	1,215,000
750,000	865,000	970,000	1,070,000	1,170,000
0	0	0	5,000,000	5,000,000
667,965	720,318	772,670	1,430,586	819,091
8,586,780	9,211,698	8,769,032	7,847,883	8,322,859
23,494,745	24,892,016	26,646,702	22,039,183	22,301,950
(11,545,000)	(12,024,896)	(13,065,000)	(5,545,714)	(5,775,000)
0	0	(1,070,000)	(1,145,000)	(1,215,000)
(750,000)	(865,000)	(970,000)	(1,070,000)	(1,170,000)
(667,965)	(720,318)	(772,670)	(1,430,586)	(819,091)
(8,586,780)	(9,211,698)	(8,769,032)	(7,847,883)	(8,264,574)
(47,543)	(79,634)	(84,136)	(473,223)	(424,738)
1,897,457	1,990,470	1,915,864	4,526,777	4,633,547
29,017,202	28,901,144	28,898,385	26,072,957	25,955,490
<u>\$27,119,745</u>	<u>\$26,910,674</u>	<u>\$26,982,521</u>	<u>\$21,546,180</u>	<u>\$21,321,943</u>
93.46%	93.11%	93.37%	82.64%	82.15%
<u>\$15,199,487</u>	<u>\$15,138,695</u>	<u>\$15,137,249</u>	<u>\$13,657,263</u>	<u>\$13,595,733</u>
23,494,745	24,892,016	26,646,702	22,039,183	22,301,950
(11,545,000)	(12,024,896)	(13,065,000)	(5,545,714)	(5,775,000)
0	0	(1,070,000)	(1,145,000)	(1,215,000)
(750,000)	(865,000)	(970,000)	(1,070,000)	(1,170,000)
(667,965)	(720,318)	(772,670)	(1,430,586)	(819,091)
(8,586,780)	(9,211,698)	(8,769,032)	(7,847,883)	(8,264,574)
(47,543)	(79,634)	(84,136)	(473,223)	(424,738)
1,897,457	1,990,470	1,915,864	4,526,777	4,633,547
<u>\$13,302,030</u>	<u>\$13,148,225</u>	<u>\$13,221,385</u>	<u>\$9,130,486</u>	<u>\$8,962,186</u>
87.52%	86.85%	87.34%	66.85%	65.92%

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

Year	Water Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2009	\$4,122,298	\$3,687,421	\$434,877	\$0	\$0	n/a
2008	3,837,269	3,048,014	789,255	0	0	n/a
2007	3,645,886	3,295,844	350,042	0	0	n/a
2006	3,296,917	3,013,410	283,507	0	0	n/a
2005	3,434,611	3,079,704	354,907	0	0	n/a
2004	3,226,988	3,018,532	208,456	0	0	n/a
2003	3,054,900	3,013,467	41,433	80,000	70,835	0.27
2002	3,292,588	2,864,202	428,386	75,000	180,536	1.68
2001	3,033,056	2,606,282	426,774	70,000	187,706	1.66
2000	2,851,050	2,412,977	438,073	65,000	194,521	1.69

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

(2) Direct operating expenses do not include depreciation.

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

Source: City Financial Records

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

Year	Wastewater Service Charges and Interest	Direct Operating Expenses (2)	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2009	\$2,151,622	\$1,375,304	\$776,318	\$837,884	\$250,222	0.71
2008	2,159,995	1,145,837	1,014,158	797,229	284,358	0.94
2007	2,154,440	1,498,860	655,580	763,203	325,221	0.60
2006	2,024,507	1,376,482	648,025	730,721	352,377	0.60
2005	2,210,383	1,296,688	913,695	679,082	383,294	0.86
2004	2,099,552	1,254,218	845,334	629,080	413,069	0.81
2003	2,098,879	1,083,100	1,015,779	521,828	344,265	1.17
2002	2,299,155	1,537,132	762,023	497,847	347,892	0.90
2001	2,406,602	1,130,194	1,276,408	474,977	391,117	1.47
2000	2,106,739	975,263	1,131,476	453,166	432,806	1.28
1999	2,098,507	1,208,342	890,165	432,366	433,738	1.03

(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

2009		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	1,340	9.47%
University Hospitals Health Systems	1,069	7.55
Walmart Associates Inc.	746	5.27
Bedford Board of Education	583	4.12
City of Bedford	337	2.38
US Bank National Association	302	2.13
Riser Foods Company	219	1.55
Target Department Stores	201	1.42
Jay Pontiac Inc.	170	1.20
Ace Home Health Care	152	1.07
Total	5,119	36.16%
Total Employment within the City	14,156	

2000		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	697	5.15%
University Hospital Health Systems	646	4.77
Bedford Board of Education	553	4.08
Target Division of Dayton Hudson	403	2.98
City of Bedford	349	2.58
Soft Lite Mintz	338	2.50
GTE Wireless Service Corporation	299	2.21
TOPS Inc	267	1.97
AMES Dept Store	206	1.52
Ohio Bell Telephone Company	179	1.32
Total	3,937	29.07%
Total City Employees	13,542	

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2009	14,214	\$285,360,264	\$20,076	\$36,943	39
2008	14,214	285,360,264	20,076	36,943	39
2007	14,214	285,360,264	20,076	36,943	39
2006	14,214	285,360,264	20,076	36,943	39
2005	14,214	285,360,264	20,076	36,943	39
2004	14,214	285,360,264	20,076	36,943	39
2003	14,214	285,360,264	20,076	36,943	39
2002	14,214	285,360,264	20,076	36,943	39
2001	14,214	285,360,264	20,076	36,943	39
2000	14,214	285,360,264	20,076	36,943	39

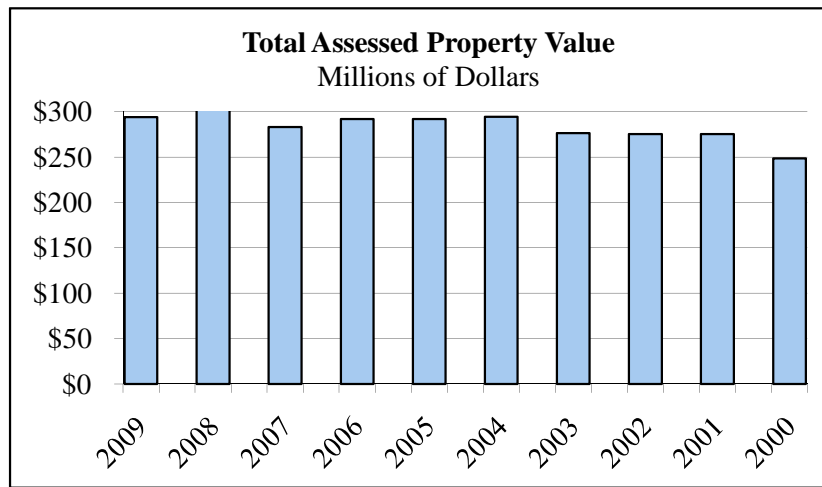
(1) Source: U. S. Census

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

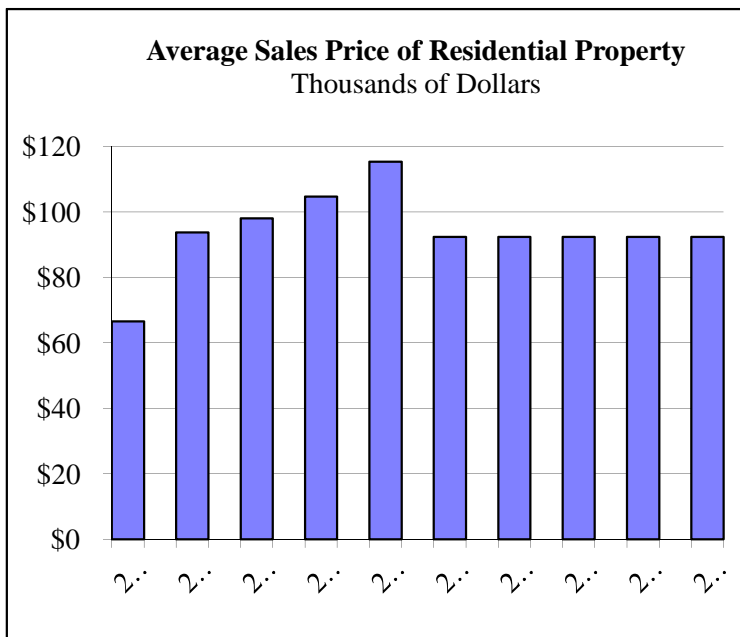
(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
18.2%	4,170	10.2%	\$66,630	\$293,946,130
18.2	4,108	6.1	93,827	306,869,373
18.2	3,925	6.1	98,124	282,809,736
18.2	3,908	6.6	104,772	291,754,871
18.2	3,680	6.6	115,395	291,754,871
18.2	3,912	6.6	92,400	294,249,915
18.2	3,637	6.2	92,400	276,354,300
18.2	3,720	6.6	92,400	275,248,992
18.2	3,842	4.6	92,400	275,222,717
18.2	3,866	4.5	92,400	248,313,876



City of Bedford, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006
General Government				
Council	8.00	8.00	8.00	8.00
Finance	5.50	5.50	5.50	5.50
Tax	3.00	3.50	3.50	3.50
City Manager	0.00	1.00	1.00	1.00
Law	1.50	1.00	1.00	1.00
Administration	2.50	4.00	4.00	4.50
Engineer	0.50	0.50	0.50	0.50
Planning	2.00	2.00	1.50	1.50
Civil Service	2.50	2.50	2.50	2.00
Court	31.50	35.50	36.50	34.50
Public Building	3.50	5.50	5.00	5.00
Security of Persons and Property				
Police	31.00	35.00	33.00	33.00
Police - Auxiliary/Guards	14.50	16.00	16.50	17.50
Police - Dispatchers/Office/Other	15.00	15.50	15.00	10.00
Police - Jailers	2.50	2.50	2.50	3.00
Police - Animal Wardens	2.00	2.50	1.50	2.00
Fire	27.00	27.00	30.00	30.00
Fire - Secretary - Other	1.00	1.00	1.50	1.50
Public Health Services				
Cemetery	1.00	1.00	1.00	2.00
Leisure Time Activities				
Recreation	14.50	20.00	19.00	17.50
Municipal Pool	15.50	16.50	17.50	16.00
Ellenwood Center	5.50	3.50	5.50	5.00
Community Development				
Building	5.50	5.50	5.50	5.00
Economic Development	1.00	2.00	2.00	1.50
Transportation				
Service	19.50	20.50	20.00	20.50
Street Maintenance and Repair	2.00	6.50	6.50	6.50
Basic Utility Services				
Water	8.50	9.00	8.50	7.00
Wastewater	10.00	10.50	10.00	11.00
Totals:	<u>236.50</u>	<u>263.50</u>	<u>264.50</u>	<u>256.00</u>

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

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

(1) Information prior to 2002 is not available

2005	2004	2003	2002
8.00	8.00	8.00	8.00
5.50	5.00	5.50	5.50
3.00	3.50	3.00	3.00
1.00	1.00	1.00	1.00
1.00	1.50	1.50	1.00
4.50	4.50	4.50	4.50
0.50	0.50	0.50	0.50
1.50	1.50	1.50	1.50
2.00	2.00	2.00	2.00
30.00	35.00	35.00	35.00
5.00	4.00	4.00	2.00
32.00	32.00	30.00	30.00
12.50	12.50	13.00	13.00
12.50	12.50	13.50	13.50
2.00	3.00	2.00	2.00
2.00	2.00	1.50	1.50
28.00	29.00	30.00	30.00
1.50	1.50	1.50	1.50
1.50	1.50	2.50	2.50
14.00	14.00	14.00	1.50
15.00	15.00	15.50	15.00
6.50	6.50	5.50	4.50
5.00	5.00	5.00	5.00
1.50	1.50	1.50	1.50
24.50	24.50	21.00	23.00
4.50	4.50	5.00	4.00
9.50	9.50	8.50	7.50
11.00	11.00	11.50	11.00
<u>245.50</u>	<u>252.00</u>	<u>248.00</u>	<u>231.00</u>

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

Function/Program	2009	2008	2007	2006
General Government				
<i>Council & Clerk</i>				
Number of Ordinances Passed	276	265	133	90
Number of Resolutions Passed	17	23	9	9
<i>Finance Department</i>				
Number of checks/ vouchers issued	4,089	4,377	4,795	4,428
Amount of checks written	\$22,593,479	\$23,125,393	\$24,035,165	\$21,085,783
Interest earnings for fiscal year (cash basis)	\$261,084	\$536,297	\$948,213	\$710,467
Number of Receipts issued	1,802	1,677	1,665	1,628
Number of Journal Entries issued	1,015	1,166	1,059	826
Number of Budget Adjustments issued	88	115	112	122
Agency Ratings - Standard & Poors	AA-	AA-	AA-	AA-
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	12.98%	13.25%	12.49%	11.79%
General Fund Receipts (cash basis in thousands)	\$20,887	\$21,478	\$22,709	\$17,725
General Fund Expenditures (cash basis in thousands)	\$17,007	\$17,047	\$23,570	\$15,203
General Fund Cash Balances (in thousands)	\$6,283	\$7,903	\$9,392	\$10,214
<i>Income Tax Department</i>				
Number of Individual Returns	6,324	6,760	6,808	7,274
Number of Business Returns	2,784	2,877	2,650	2,700
Number of business withholding accounts	1,249	1,230	1,610	1,861
Amount of Penalties and Interest Collected	\$134,751	\$134,751	\$135,901	\$255,463
Annual number of Corporate withholding forms processed	7,332	7,296	9,088	10,076
Annual number of balance due statements forms processed	16,407	15,509	13,486	15,939
Annual number of estimated payment forms processed	9,835	11,530	12,007	12,385
Annual number of reconciliations of withholdings processed	1,026	1,296	1,625	1,884
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$377,787	\$1,453,306	\$1,981,083	\$572,572
<i>Municipal Court</i>				
Number of Civil Cases	4,664	5,770	5,267	4,577
Number of Criminal cases	10,675	11,400	10,732	10,289
<i>Vital Statistics</i>				
Certificates Filed				
Number of Births	1	1	2	2
Number of Deaths	233	266	232	255
Certificates Issued				
Number of Births	685	859	1,055	1,226
Number of Deaths	1,104	1,385	960	1,327
Burial Permits Issued	646	698	606	465
<i>Civil Service</i>				
Number of police entry tests administered	0	0	1	1
Number of fire entry tests administered	0	0	0	1
Number of police promotional tests administered	0	0	2	0
Number of fire promotional tests administered	0	0	1	0
Number of hires of Police Officers from certified lists	0	2	0	0
Number of hires of Fire/Medics from certified lists	0	0	0	0
Number of promotions from police certified lists	1	3	0	0
Number of promotions from fire certified lists	0	1	0	0

2005	2004	2003	2002	2001
117	90	56	84	105
20	27	17	22	20
5,658	5,144	4,701	4,844	5,029
\$24,398,291	\$22,180,264	\$24,678,378	\$33,169,166	\$31,699,956
\$416,804	\$221,336	\$263,675	\$738,521	\$1,498,727
1,717	1,672	1,716	1,981	1,878
808	701	697	684	628
136	163	134	110	121
A+	A+	A+	A+	A+
A1	A1	A1	A1	A1
12.01%	14.25%	9.85%	9.99%	8.37%
\$16,088	\$14,958	\$14,128	\$15,801	\$14,209
\$15,299	\$15,299	\$15,535	\$14,146	\$15,410
\$7,613	\$7,316	\$7,657	\$9,064	\$7,409
7,973	8,660	11,336	10,000	10,000
2,575	2,693	2,525	2,000	2,000
1,885	1,929	1,396	n/a	n/a
\$133,572	\$124,942	\$112,013	\$120,607	\$124,939
10,372	10,772	n/a	n/a	n/a
17,016	17,397	n/a	n/a	n/a
12,619	12,646	n/a	n/a	n/a
1,910	1,941	n/a	n/a	n/a
\$2,582,246	\$2,130,797	\$1,729,184	\$3,828,951	\$2,557,033
4,378	4,074	3,642	3,378	3,274
10,521	11,254	11,875	12,345	15,983
2	436	398	465	n/a
261	196	241	291	n/a
1,239	1,369	1,459	1,668	n/a
1,487	1,101	1,574	1,651	n/a
454	462	602	633	n/a
1	0	0	1	0
1	0	0	0	1
0	1	1	0	0
0	0	0	1	0
0	2	0	0	0
0	0	0	0	0
0	1	1	5	0
0	0	0	5	1

(continued)

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

Function/Program	2009	2008	2007	2006
<i>Building Department Indicators</i>				
Construction Permits Issued	145	129	127	127
Estimated Value of Construction	\$1,438,179	\$6,321,592	\$27,740,947	\$5,260,975
Number of all permits issued	759	848	905	912
Amount of Revenue generated from permits	\$29,842	\$77,938	\$162,079	\$65,057
Number of contract registrations issued	495	450	517	605
Number of rental inspections performed	475	451	442	470
Number of point of sale inspections	227	253	304	347
Annual Apartment/Rooming House License Fees	\$28,900	\$36,040	\$37,780	\$31,550
Revenue generated from inspections	\$83,120	\$87,985	\$85,780	\$92,712
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	23,467	24,866	22,454	15,000
Number of traffic citations issued	2,233	2,505	2,568	2,574
Number of parking citations issued	1,447	1,438	1,280	1,434
Number of criminal arrests	2,367	2,284	1,718	1,863
Number of accident reports completed	336	470	553	486
Part 1 Offenses (major offenses)	669	600	657	576
Animal Warden service calls responded to per annual report	1,532	1,542	1,535	1,732
Police Dept. Auxiliary hours worked	4,315	3,529	3,439	2,668
DUI Arrests	44	48	35	48
Prisoners	1,860	1,672	1,456	1,510
Prisoner meal costs	\$30,929	\$28,509	\$20,517	\$16,139
Juvenile Arrests	349	455	340	332
Different Juvenile Arrests	267	268	253	253
Juvenile Repeat Offenders	51	65	49	47
Motor Vehicle Accidents	323	459	541	486
Property damage accidents	30	36	430	422
Fatalities from Motor Vehicle Accidents	0	2	1	0
Gasoline costs of fleet	\$55,521	\$86,900	\$67,244	\$45,645
Community Diversion Program Youths	64	49	45	45
Community Diversion Program - community service hours	548	516	648	670
<i>Fire</i>				
EMS Calls	1,673	1,954	1,704	1,536
Ambulance Billing Collections (net)	\$400,528	\$429,346	\$354,920	\$348,187
Fire Calls	583	502	526	505
Fires with Loss	13	28	44	35
Fires with Losses exceeding \$10K	6	2	6	3
Fire Losses \$	\$299,000	\$160,170	\$427,900	\$251,950
Fire Safety Inspections	392	393	398	398
Number of times Mutual Aid given to Fire and EMS	105	111	166	168
Number of times Mutual Aid received for Fire and EMS	89	13	42	43
Public Health & Welfare				
Cemetery burials	289	23	39	42
Cemetery cremations	17	13	9	22
Cemetery sale of lots	45	40	36	28
Cemetery receipts	\$45,120	\$39,230	\$43,705	\$45,941

2005	2004	2003	2002	2001
120	145	155	181	161
\$36,405,800	\$6,370,050	\$3,594,730	\$42,117,927	\$4,372,017
918	896	851	1,021	968
\$64,474	\$41,899	\$40,099	\$62,639	\$53,520
453	441	441	551	545
503	398	397	344	355
342	335	300	270	319
\$7,560	\$8,495	\$9,375	\$8,345	\$7,275
\$59,803	\$56,620	\$60,690	\$55,780	\$57,420
10,536	10,042	9,858	10,421	10,055
3,214	2,462	3,602	4,070	3,086
1,427	1,506	1,648	1,903	2,002
1,610	2,204	1,546	1,663	1,724
544	584	573	571	601
540	480	407	564	485
1,566	2,186	1,478	1,470	1,381
2,892	2,758	2,345	2,276	2,375
50	77	71	59	80
1,415	1,482	1,338	1,393	1,214
\$14,157	\$15,754	\$15,019	\$11,988	\$5,388
168	n/a	n/a	n/a	n/a
159	n/a	n/a	n/a	n/a
9	n/a	n/a	n/a	n/a
526	584	573	563	603
452	501	491	472	467
1	1	0	0	0
\$36,301	\$38,858	\$31,231	\$26,256	\$29,327
75	73	49	70	147
1,048	1,026	820	956	870
1,629	1,608	1,397	1,483	1,534
\$390,749	\$282,012	\$252,084	\$254,885	\$270,238
540	449	417	382	359
28	25	30	25	25
8	7	5	4	4
\$459,700	\$401,150	\$365,400	\$135,510	\$217,100
425	464	343	296	n/a
115	133	144	117	106
62	60	41	43	48
35	38	50	29	52
19	22	20	16	14
46	90	57	46	57
\$48,380	\$66,517	\$46,207	\$35,553	\$50,177

(continued)

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

Function/Program	2009	2008	2007	2006
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$35,152	\$39,378	\$37,950	\$37,637
Recreation Mens & Womens Leagues receipts	45,542	31,948	21,666	15,513
Senior Van Fees	2,793	2,268	2,175	2,403
Playground Registration	19,930	20,509	23,410	17,833
Ellenwood Facilities rentals	24,278	19,857	18,723	21,050
	<u>\$127,695</u>	<u>\$113,960</u>	<u>\$103,924</u>	<u>\$94,436</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$11,913	\$461,066	\$457,011	\$1,109,423
Basic Utility Services				
Refuse disposal per year (in tons) August through July	4,769	5,200	5,308	5,955
Refuse disposal costs per year August through July	\$723,149	\$719,902	\$509,870	\$544,013
Cost per household per month	\$13	\$13	\$9	\$10
Annual recycling tonnage (excluding leaf, and compost items)	379	439	440	514
Percentage of waste recycled	7.36%	7.79%	7.65%	7.95%
Transportation				
Street Improvements - asphalt overlay (linear feet)	0	5,200	0	0
Rejuvenating Spray on Streets (Miles)	0.00	0.00	0.00	1.15
Crackseal Coating Program (Miles)	70.20	7.20	7.20	7.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	4,049	4,180	3,577	4,508
Guardrail Repair (hours)	48	48	48	36
Paint Striping (hours)	1,013	876	960	1,439
Street Sweeper (hours)	702	831	754	760
Cold Patch (hours)	2,729	1,868	1,248	1,924
Snow & Ice Removal regular hours	760	730	630	316
Snow & Ice Removal overtime hours	855	1,598	1,125	473
Sewer and Sanitary calls for service	956	834	845	1,002
After hours Sewer Calls (hours)	416	1,506	1,636	1,765
Sewer Crew (hours)	3,718	3,747	3,632	3,690
Sewer jet, Vac-all, other services (hours)	1,993	2,209	1,573	3,483
Landscaping Stump-Chipper service (hours)	4,190	6,003	5,320	5,574
Leaf collection (hours)	2,424	2,243	2,670	2,310
Holiday lights setup (hours)	1,444	1,352	1,449	1,605
Downtown Square Repair after events (hours)	340	340	340	682
Equipment repair/body shop (hours)	6,945	6,842	5,591	7,574
Sign department (hours)	456	1,502	1,559	1,541
Number of Trees Planted per year	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	5,793	1,510	6,885	6,132
Cost of salt purchased	\$252,186	\$128,362	\$269,153	\$230,080
Tons of road traction ice grits purchased	0	1,316	0	0
Cost of ice gritr purchased	\$0	\$21,842	\$0	\$0
Water Department				
Water Rates per 1st 300 Cu ft of water used	\$21	\$19	\$17	\$17
Avg. number of water accounts billed monthly (Cu. Ft.)	5,008	4,999	5,004	4,967
Total Water Collections Annually (Including P&I)	\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122
Payments to Cleveland for bulk water purchases	\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957
Wastewater Department				
Wastewater Rates per 1st 300 Cu ft of water used	\$14.00	\$14.00	\$13.18	\$13.18
Total flow of wastewater treatment plant (Billions of Gallons)	0.879	0.966	0.949	1.018
Average daily flow (Millions of gallons per day)	2.407	2.638	2.601	2.764
Tons of dry sludge removed	242.73	228.14	233.04	266.06

(1) Information prior to 2001 is not available

2005	2004	2003	2002	2001
\$36,687	\$27,857	\$34,556	\$42,043	\$36,570
18,962	18,979	25,217	22,282	23,880
2,593	2,955	3,056	3,050	3,580
10,750	2,390	2,210	1,785	1,930
26,274	23,237	25,792	26,767	31,447
<u>\$95,266</u>	<u>\$75,418</u>	<u>\$90,831</u>	<u>\$95,927</u>	<u>\$97,407</u>
\$269,071	\$195,472	\$551,560	\$219,277	\$357,368
5,751	5,909	5,878	6,090	6,519
\$490,430	\$478,351	\$462,900	\$508,996	\$500,653
\$9	\$8	\$8	\$9	\$9
487	599	735	593	615
7.81%	9.20%	11.11%	8.87%	8.62%
16,400	6,650	25,100	11,900	14,066
1.15	2.26	2.66	2.66	3.37
7.20	7.20	7.20	7.20	7.20
3,941	3,844	4,663	2,600	2,167
40	144	16	80	80
1,668	1,012	728	1,240	1,411
832	1,004	975	975	958
2,419	2,492	993	1,795	1,896
608	760	580	612	808
1,807	1,349	1,581	934	468
894	869	894	952	1,139
1,865	1,727	1,412	1,703	1,916
3,806	3,481	3,432	3,568	3,613
411	2,226	890	207	1,470
5,429	4,796	5,532	5,238	5,100
2,136	2,566	2,686	3,114	2,992
1,798	1,699	1,452	1,803	1,505
420	420	300	120	54
7,658	6,824	6,486	6,842	6,859
1,332	2,177	2,145	2,032	1,927
60-80	60-80	60-80	60-80	60-80
6,578	6,900	7,900	3,200	5,400
\$218,854	\$193,980	\$225,308	\$133,120	\$127,710
0	0	0	0	0
\$0	\$0	\$0	\$0	\$0
\$16	\$16	\$15	\$15	\$14
4,899	4,911	4,961	4,982	4,980
\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975	\$2,833,238
\$2,546,858	\$2,499,987	\$2,544,728	\$2,339,734	\$2,234,770
\$13.18	\$13.18	\$13.18	\$13.18	\$13.18
1.018	1.054	1.024	0.913	0.844
2.788	2.880	2.806	2.502	2.313
214.42	205.71	199.09	167.98	n/a

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

Function/Program	2009	2008	2007	2006	2005
General Government					
Square Footage Occupied	44,035	44,035	44,035	44,035	44,035
Administrative Vehicles	2	3	2	2	2
Inspection Vehicles	3	3	3	3	3
Municipal Court Vehicles	1	2	2	2	2
Lands & Buildings Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667	21,667
Vehicles	22	23	22	20	20
Fire					
Stations	1	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774	14,774
Vehicles	12	12	10	10	10
Recreation					
Number of Parks	4	4	4	4	4
Number of Pools	1	1	1	1	1
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	7	7	7	7	7
Number of Tot Lots	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433	25,433
Vehicles	13	15	14	13	13
Other Public Works					
Streets (miles)	48	48	48	48	48
Service Vehicles	57	58	55	54	55
Wastewater					
Sanitary Sewers (miles)	41.80	41.80	41.80	41.80	41.80
Storm Sewers (miles)	48.70	48.70	48.70	48.70	48.70
Vehicles	7	7	6	6	6
Water Department					
Water Lines (miles)	100	100	100	100	100
Vehicles	8	7	4	4	4

Source: City of Bedford

2004	2003	2002	2001	2000
44,035	44,035	30,559	30,559	30,559
2	1	1	1	1
3	3	3	3	3
2	2	2	2	2
2	2	1	1	1
1	1	1	1	1
21,667	21,667	3,511	3,511	3,511
20	20	19	18	16
1	1	1	1	1
14,774	14,774	3,652	3,652	3,652
10	9	9	9	9
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
7	7	7	4	4
4	4	4	9	9
1	1	1	1	1
25,433	25,433	25,433	25,433	25,433
11	11	10	9	9
48	48	48	48	48
51	49	49	50	48
41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70
6	6	5	5	4
100	100	100	100	100
4	4	4	4	4

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

Function/Program	2009	2008	2007	2006
General Government				
Municipal Complex				
City Hall Building	\$2,765,189	\$2,629,059	\$2,571,532	\$2,145,077
City Hall Miscellaneous Equipment	771,779	741,201	706,017	662,990
Garage	36,674	35,605	35,114	32,584
Radio Building	11,701	11,125	10,890	10,058
Radio Tower	39,348	36,119	35,060	32,460
Police				
Municipal Complex				
Justice Center Building	13,089,869	12,445,472	12,172,350	11,253,749
Justice Center Miscellaneous Equipment	2,018,069	1,874,287	1,793,900	1,703,307
Fire				
Municipal Complex				
Station Building	2,958,158	2,812,538	2,750,580	2,543,267
Station Miscellaneous Equipment	816,287	714,104	618,296	573,755
<i>Total Municipal Complex</i>	<u>\$22,507,074</u>	<u>\$21,299,510</u>	<u>\$20,693,739</u>	<u>\$18,957,247</u>
Recreation				
Ellenwood Rec Center				
Building	\$4,176,817	\$3,971,176	\$3,880,354	\$3,582,170
Press Box /Concession/Pool	0	839,911	839,911	26,862
Municipal Pool				
Bathhouse Building	264,044	242,512	217,214	200,749
Swimming Pool	960,261	894,439	477,207	443,171
Garage				
Garage - Talor Road	120,747	120,747	119,079	110,504
Other Public Works				
Service				
Garage - Solon Road	1,690,926	1,573,218	1,491,010	1,266,187
Garage - Salt Storage	80,507	78,162	77,083	71,532
Cemetary				
Storage Building	146,091	141,804	139,802	129,765

<u>2005</u>	<u>Year Asset Completed, Constructed or Received</u>	<u>Construction Costs</u>	<u>Replacement Factor Increase</u>
\$2,272,641	2003	\$2,030,818	26.63%
632,257	Various	561,893	25.65
31,087	2003	27,419	28.06
9,618	1997	7,317	48.83
31,122	2003	27,378	28.06
10,758,102	2003	9,573,704	27.14
1,526,194	Various	1,245,745	44.00
2,431,164	2003	2,162,658	27.19
<u>519,219</u>	Various	<u>502,303</u>	23.09
<u>\$18,211,404</u>		<u>\$16,139,235</u>	28.22
\$3,424,798	1964, 1984, 1998	\$785,218	394.18
25,688	1989, 2007	854,818	(1.74)
191,934	1969	39,368	451.75
425,676	1969, 1993	136,059	250.74
105,422	1949	8,674	1,272.83
1,210,810	1953, 1972, 1979	545,316	173.42
68,243	1992	45,585	69.10
123,788	1985	67,414	107.38

(continued)

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

Function/Program	2009	2008	2007	2006
Wastewater				
Sewage Treatment Plant				
Administration Building	\$150,957	\$143,522	\$140,487	\$129,757
Administration Miscellaneous Equipment	371,759	351,360	546,274	314,705
Laboratory Building	287,887	273,737	266,884	247,689
Laboratory Miscellaneous Equipment	139,626	133,040	127,561	121,240
Filter Building	244,585	232,540	227,623	210,237
Filter Miscellaneous Equipment	455,298	433,123	414,669	393,387
Primary Settling Tanks	711,251	320,057	297,230	276,031
Primary Settling Tanks - Miscellaneous Equipment	568,074	540,405	517,382	490,828
Oxidation Tower East Building	547,425	509,897	471,568	437,935
Oxidation Tower East - Miscellaneous Equipment	647,634	901,478	863,071	818,775
Oxidation Tower West Building	547,425	509,897	471,568	437,935
Oxidation Tower West - Miscellaneous Equipment	947,634	901,478	863,071	818,775
Equalization Basin Building	1,459,194	1,113,837	1,034,397	960,623
Rapid Sand Filter Building	623,007	592,325	579,801	535,515
Rapid Sand Filter - Miscellaneous Equipment	1,091,302	1,028,298	984,591	934,181
Final Settling Tank #2 Building	364,746	339,740	301,091	279,617
Final Settling Tank #2 - Miscellaneous Equipment	141,513	134,620	128,885	122,270
Garage	0	142,993	135,543	125,841
* Total Buildings	30,565,558	29,690,375	32,140,189	28,876,650
** Total Miscellaneous Equipment	7,968,975	7,753,394	12,704,380	11,795,863

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

2005	Year Asset Completed, Constructed or Received	Construction Costs	Replacement Factor Increase
\$124,086	1973	\$30,639	358.52 %
155,436	Various	479,908	13.83
236,455	1986	130,207	104.97
115,076	Various	70,769	80.25
201,050	1973	49,644	358.51
372,631	Various	238,373	73.96
265,135	1985	145,706	103.99
464,931	Various	313,461	65.05
420,647	1973, 2001	105,767	345.86
775,575	Various	724,950	19.05
420,647	1973, 2001	103,842	354.12
775,575	Various	724,950	19.05
922,700	1992, 1993, 1997	1,827,056	(43.38)
512,111	2001	436,529	32.82
885,020	Various	806,377	22.10
268,578	1973	68,666	338.49
115,819	Various	32,682	294.36
120,037	1987	65,136	108.09
27,558,777		19,183,239	67.54
10,909,787		8,729,623	45.53

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

Vehicle/Program	Current Replacement Costs	2008	2007	2006	2005
Police					
Cost Per Patrol Car	\$26,613	\$22,463	\$24,461	\$23,941	\$24,521
Fire					
Cost Per Fire Pumper (1)	0	0	441,564	0	0
Cost Per Ambulance	0	0	167,192	0	155,711
Service					
Cost Per Vac All (2)	0	0	275,000	0	0
Cost Per Street Sweeper	0	0	115,000	0	0
Cost Per Salt Truck	41,021	105,622	110,000	0	81,361
Road Construction					
Ohio Department of Transportation Construction Cost Composite Index (3)	141.4	151.9	141.4	126.1	127

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.

2004	2003	2002	2001	2000
\$24,212	\$24,540	\$0	\$24,351	\$24,223
0	0	0	0	0
0	0	0	0	136,444
0	0	0	0	0
0	106,225	0	0	0
0	0	75,409	72,993	0
112	101.4	99.9	100	n/a

City of Bedford, Ohio
Water Utility Statistics
Last Ten Years

	2009	2008	2007	2006
Gallons of Water Purchased from Cleveland	96,955.60	95,405.00	95,465.00	89,658.00
Gallons of Water Sold (Billed) to Users	62,823.09	65,901.00	69,612.00	67,949.50
Percent of Water Billed	64.80%	69.07%	72.92%	75.79%
Water Billings	\$3,896,479	\$3,632,402	\$3,422,229	\$2,932,256
Water Collections	\$3,954,828	\$3,532,663	\$3,445,995	\$2,987,122
Percentage Collected from Billings	101.50%	97.25%	100.69%	101.87%
Payments to City of Cleveland	\$2,868,742	\$2,637,600	\$2,506,466	\$2,295,957
Percentage of payments to the City of Cleveland compared to total water collections	72.54%	74.66%	72.74%	76.86%

Source: City of Bedford Water Department

2005	2004	2003	2002	2001	2000
102,694.70	101,437.20	106,665.40	101,389.20	100,084.60	92,267.30
75,840.80	71,942.10	75,071.30	79,344.80	72,249.40	71,872.70
73.85%	70.92%	70.38%	78.26%	72.19%	77.90%
\$3,369,868	\$3,080,348	\$3,083,091	\$3,116,242	\$2,769,579	\$2,652,814
\$3,392,654	\$3,117,530	\$3,126,382	\$3,164,975	\$2,833,238	\$2,640,467
100.68%	101.21%	101.40%	101.56%	102.30%	99.53%
\$2,546,858	\$2,499,987	\$2,554,728	\$2,339,734	\$2,234,770	\$1,982,641
75.07%	80.19%	81.72%	73.93%	78.88%	75.09%

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City of BEDFORD, Ohio

City of Bedford, Ohio

For The Year Ended December 31, 2009

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the City Council
Bedford, Ohio

We have audited 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, Ohio (the “City”) as of and for the year ended December 31, 2009, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 17, 2010, wherein we noted the City adopted *GASB Statement Nos. 52, 53, 54, 55, 56, 57 and 58*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2009-001.

Members of the City Council
Lyndhurst, Ohio

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City, in a separate letter dated June 17, 2010.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cimini & Panichi, Inc.

Cleveland, Ohio
June 17, 2010

City of Bedford

Schedule of Findings

December 31, 2009

1. Summary of Auditors' Results

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
Was there any material weaknesses reported at the financial statement level (GAGAS)?	Yes
Was there any material noncompliance reported at the financial statement level (GAGAS)?	No

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS

2009-001 – Material Weakness

Sound financial reporting is the responsibility of the City Finance Director and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

The following audit adjustments were made to the financial statements:

1. Prior period adjustments were recorded to properly record assets held for resale in the governmental funds, adjust an intergovernmental receivable to the correct fund, and to remove an intergovernmental receivable at December 31, 2008.

The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data at year-end.

We recommend the City adopts policies and procedures for controls over year-end financial reporting to help ensure the information accurately reflects the activity of the City thereby increasing the reliability of the financial data at year-end. The City's management needs to review the statements to be sure that all items are being properly recorded.

3. Other Findings

None.

City of Bedford

**165 Center Road
Bedford, Ohio 44146
(440) 232-1600**

Response to Findings Associated With
Audit Conducted In Accordance With
Government Auditing Standards
For The Year Ended December 31, 2009

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-001	The City will create a policy and procedure for oversight review before final reports are to be released.	N/A	Frank Gambosi, Finance Director



Mary Taylor, CPA
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 27, 2010