

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2012



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Bedford, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2012 through December 31, 2012. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 6, 2013

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Cover Page

Bedford Historical Society Baptist Church on the Square

Divider Pages

Signage and scenery in the City of Bedford



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**City of
Bedford, Ohio**

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the fiscal year ended December 31, 2012

Prepared by:

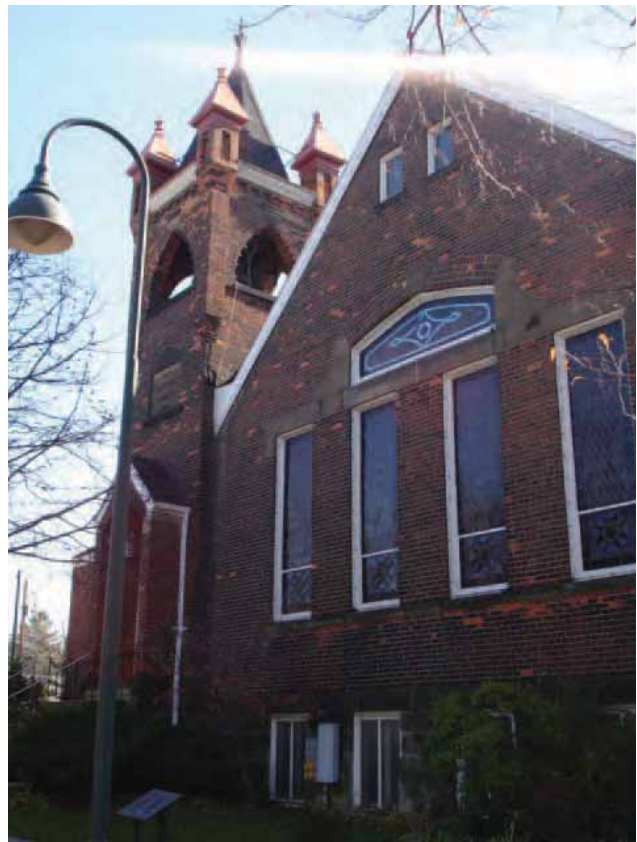
DEPARTMENT OF FINANCE
Frank C. Gambosi, CPA, DIRECTOR
Debbie Parina, Administrative Secretary
Kimber Lee Jaworski, Payroll Officer
Tesa Tench, A/P Accounting Clerk
Jonathan Lindow, A/R Accountant



City of BEDFORD, Ohio

I NTRODUCTORY

S ECTION





City of BEDFORD, Ohio

City of Bedford, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012
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CITY OF BEDFORD OHIO

Opinion Letter Date

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 an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

The Comprehensive Annual Financial Report of the City of Bedford, Ohio, for the year ending December 31, 2012 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, 2012. 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 considered potential component units for inclusion in the reporting entity. Component units are 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 also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes.

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

History of Bedford and Form of Government

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

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

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

The Police Department enforces local, State, and federal laws in addition to protecting citizens and their property. The department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of jail operations, animal control, auxiliary police, as well as a staff of patrol officers. Administrative services consist of secretaries, dispatchers, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2012 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall. The City is forming a regional council of governments between Bedford, Bedford Heights, and Maple Heights to provide 911 dispatch services. Most of the equipment and communication costs are expected to be funded through grants.

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

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

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

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

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

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

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

The Municipal Income Tax Department is responsible for the collection of the municipal income tax from 6,446 resident returns, 2,365 business net profits returns and the collection from 880 withholding accounts from businesses within the City. The department offers on our website, <http://www.bedfordoh.gov> an award winning free on-line municipal income tax preparation program, credit card and electronic check tax payments, as well as free preparation in-house service for the municipal income tax returns.

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

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

Economic Condition and Outlook

The City established an Enterprise Zone, which included all land within the boundaries of the City of Bedford in April of 1990. The City established a Community Reinvestment area in 1997 and updated this in 2005,

which included all land within the boundaries of the City of Bedford. The establishment of the Enterprise Zone and the Community Reinvestment area gave the City the ability to maintain and expand business located in the City and created new jobs.

The City is in the process of obtaining new tenants, within a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. The City is pursuing interested parties to buy the vacated Taylor Chair Corporation headquarters built at a cost of \$4,115,000. The Hemisphere Corporation and Hull & Associates have completed building a new headquarters on this site at a cost of \$3.2 million. This was constructed on a Brownfield site and the site is to be developed with grants from the Cuyahoga County Brownfield Fund, Brush Wellman, prior owners of the site, the State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI).

Within a period of 5 years after completion of construction, Hemisphere will create new jobs and has already transferred 5 jobs to the site. Hull & Associates will create 16 new jobs and has transferred 29 jobs to the site and, in total, both companies will create additional payroll. Current combined annual payroll of all companies is \$2,115,952.

The Penske Auto Group Improvements

As stated by the Penske Auto Group administration:

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

The Ganley Auto Group – Bedford, Ohio

As stated by the Ganley Auto Group administration:

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

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

Once Subaru relocates from its current location at 240 Broadway, the existing building will become a Certified Used Vehicle Sales and Service Center for Ganley Volkswagen of Bedford.

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

Major Initiatives

During the fiscal year ending December 31, 2012, the City completed or made substantial progress toward several major goals or projects.

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

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

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

General Fund:	<u>Actual Costs</u>	<u>Borrowed</u>
Case 621 EXR Articulated Loader (front end loader)	\$125,017	\$130,000
Broadway Culvert Bridge Wood Creek	753,869	125,000
Roadways - Street Improvements 2010	1,653,706	1,640,000
Public Safety Fund:		
Ambulance Squad	210,878	250,000
Water Fund:		
Water Meters	187,266	350,000
Solon Road Water Main Replacement	576,184	680,000
Grand Boulevard/Magnolia Water Main Replacement	1,025,084	595,000
Waste Water Fund:		
Heather Road Rehabilitate Walls	1,854	40,000
Replace Telemetry-All Stations	18,369	160,000
Mapledale Road Standby Generator	52,942	75,000
Engineering Costs	0	40,000
Equalization Basin Road/Erosion Control	26,856	65,000
Equalization Basin Replace Submerible Pumps & Concrete	580,870	250,000
Replace Steel Doors	80,619	65,000
Construct Sludge Storage Building	789	150,000
Comminutor Replacement/Building Modification	180	160,000
Ultra Violet Disinfection	498,352	205,000
Wood Creek Trunk Line & Engineering	31,296	110,000
Closing Costs	124,022	0
Totals	<u>\$5,948,153</u>	<u>\$5,090,000</u>

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

State Issue II grant funds were applied for and received for more water lines including the streets of Magnolia Drive, Franklin Avenue, and an alley called Railroad Avenue. The City used the bond proceeds as matching funds, to obtain the OPWC grant in the amount of \$994,000. Funding of this project is as follows: \$394,000 is in the form of a 0 percent loan over 20 years, \$300,000 has been granted from OPWC and the City will match \$300,000, of the \$595,000, of bond proceeds to pay for the project.

In 2010, the rating agency of **Standard & Poor's** upgraded the City's Bond issue(s) to an **AA level** While **Moody's Investor Services** recalibrated the City's debt in 2009 and assigned the City a rating of **AA2** and reaffirmed this rating after a presentation to these agencies in Chicago in 2010.

The City Council and the Administration went to the voters to pass a permanent 8.9 mill Safety Forces Levy on November 3, 2009. The levy passed (71 percent), and the City received \$2.312 million in 2012.

In spring of 2013, the City issued General Obligation Bonds for various items not to exceed these amounts as follows: street repairs in the amount of \$1,625,000, improvements to the municipal sanitary sewer system, sewage pump stations and sewage plant facilities in the amount of \$3,315,000, improvements to water systems in the amount of \$1,650,000, refunding bonds from the series 2002 June 1, 2002 sewer system in the amount of \$1,050,000 and refunding bonds of the series 2002 June 1, 2002 city hall/municipal court issue.

In summer of 2013, in the event of a qualifying action related to the federal direct payment subsidy of Build America Bonds (BABs), the City will issue General Obligation Bonds not to exceed \$3,150,000 for the purpose of refunding at a lower rate the series 2010B bonds dated September 9, 2010 for sanitary sewers, repaired streets, vehicles and water improvements.

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

The City is facing more cuts in revenue passed through from the State of Ohio, this includes three of the City's larger revenue sources: Inheritance (Estate) taxes will be totally gone as of January 1, 2013 and will cost the City an additional \$168,000 per year. The Local Government Fund was reduced 50 percent in 2012. This led to a loss of revenue in the amount of \$203,506 in 2012 and \$330,000 in 2013 and thereafter. Finally, the last loss of revenue was from the accelerated reduction in the CAT tax currently replacing the City's past personal property tax. This tax was eliminated in 2012, also, resulting in an annual reduction of revenue totaling \$462,672 per year. These cuts from the State will now require the City to make an additional \$960,672 in adjustments to its future budgets.

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

The City administration prepared and, through Council, adopted the 2013 annual budget (appropriations) before December 31, 2012; thereby allowing the City Departments to bid early in the Spring to take advantage of lower bids on construction costs and allow more efficiency in preparing for recreational activities of the Summer. The City will be looking at more ways to reduce more spending and increase revenues in the budget for 2013.

The City was awarded two grants in 2012 from the U.S. Department of Justice for the continuation of the Southeast Area Law Enforcement Program in the amount of \$41,888 and from the Law Enforcement Fund \$140,953. However, the program also utilizes confiscated funding from past years. This program assists the

police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars were \$92,707 in 2012, \$258,211 in 2011, \$133,431 in 2010, \$127,897 in 2009, while in 2008 we received \$63,477. This year's total revenue received from all sources was \$388,910.

The City received a second round of ARRA grant (Byrne JAG Program 16.803) for the Juvenile Diversion Coordinator in the amount of \$4,200. The City received a grant for the Violence Against Women Act (VAWA) in the amount of \$37,254.

Other grants received included:

- Community Development Grant for the Historic Bedford Auto Mile on Rockside Road in the amount of \$150,000 with a match from the City of \$40,525.
- Community Development NSP III Grant in the amount of \$150,000 for the purchase of land and/or a house to build an energy efficient home to present a better environment in the neighborhood.
- A 2012 AFG grant was awarded to the Fire department in the amount of \$168,856 for Self Contained Breathing Apparatus (SCBA). The City will match \$8,887. The Fire department was awarded a FEMA SAFER Grant in the amount of \$359,174 for two years and it pays for two fire fighters to be added to the department. This addition of employees will allow the Fire department to operate two ambulance squads instead of one.

Other projects:

- Computer upgrades were performed throughout the City. Expenditures to date for hardware and software upgrades were \$90,956 in 2011 and 2012.
- The railroad crossings were completed at a cost to the City of \$123,265, while the rest of the improvements will be paid through grants, will lead to total estimated improvements including gates and lighting in the amount of \$1,300,000.
- The street lighting rate of millage was increased in the 2011 tax budget for collection in 2012 to 1.1 mills as the county decreased its valuation of City property. Prior to this, the City was at 1.0 mills. Cuyahoga County performed its six-year reappraisal of industry and residential property values in 2009. Due to the economy and housing foreclosure problems, the County estimated that the collections on real estate taxes for 2012 would have a delinquency rate of 9.96 percent, however the actual delinquency rate was around 13.45 percent at year's end.
- General Fund estimated real estate collections in (000's)

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

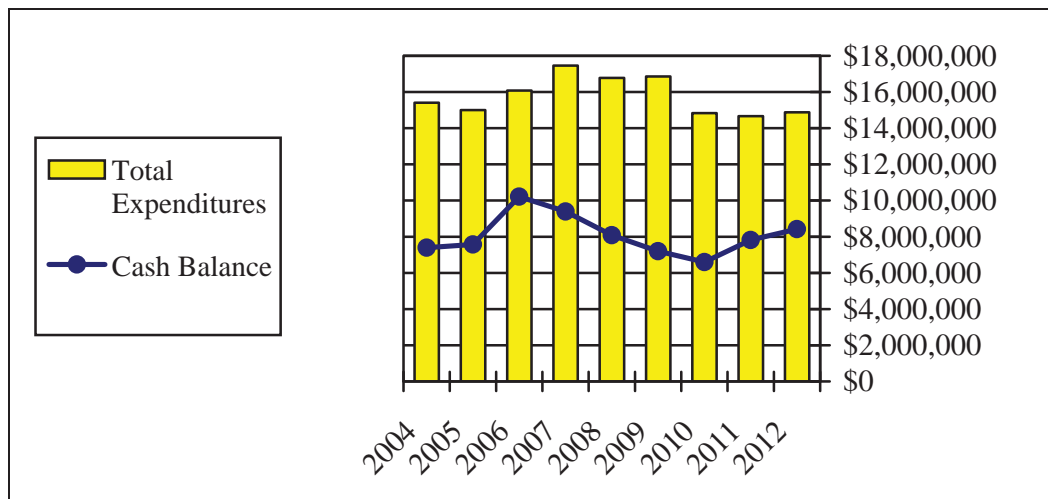
- The City realized its eighteenth-year of wastewater savings from refinancing the 20-year bonds in an amount of \$200,000. Without this transaction, wastewater rates would have increased by 25.5 percent more than the City is charging today (over \$3.2 million has been saved to date).

- The Tax Department has utilized the innovation award winning on-line income tax preparation system for the past ten years throughout the 2012 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of this system found it accurate and available for use 24 hours a day. The program allows the taxpayer convenience of this preparation in the comfort of their home or office.
- The Bedford Fire Department performed 1,865 ambulance runs in the year 2012. The ambulance runs generated reimbursement revenue in the total amount of \$436,301 in 2012, \$459,828 in 2011, \$359,515 in 2010 and \$397,350 in 2009. The City pays 7 percent administrative billing costs to the Great Lakes Billing Company on an annual basis. Billing was affected by the implementation of a new UHHS billing system in 2010. An increase in user rates was last placed in service on February 4, 2013.
- The City established a HUD housing fund to own and rehabilitate houses for resale. The City purchased 17 houses anywhere from \$1 to \$30,100. The City was able to sell 12 houses out of the 17 for a combined net loss of \$19,417. However, the City's general fund advanced \$644,937 to date for these 17 houses. The current advance balance to be paid back to the general fund is \$472,409. The first house was purchased in December of 2007. The City has expended overall \$1,349,112, while the sale of homes has brought in \$913,357 to date. The City benefits by improved appearance of homes in the neighborhood and long term ownership of homes.
- The City has been self-insured regarding health insurance costs for our employees for the past 19 years. The City has a self-insured hospitalization plan versus a premium hospitalization plan. In 2012 the expected costs were \$700,000 higher than budgeted due to claims. However, the estimated savings to the general fund from being self-insured to date for the past 19 years is over \$2,055,080.

Financial Information

Long-term financial planning

As you can see from the following graph, the general fund ended the year with a cash balance of \$8,586,427. The 2012 ending operating cash balance represented 56.97 percent of the total general fund (GF) expenditures or 207 days of general fund operating expenditures. This cash balance falls above the City's verbal policy to the rating agencies of maintaining a minimum required balance of \$5.8 million dollars in the general fund.



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

Accounting Policies and Budgetary Control

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

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

The annual budget serves as the foundation for the City of Bedford's financial planning and control. The level of budgetary control is at the department level. All non-fiduciary funds are budgeted annually. The City also controls its expenditures at levels of personal services and all other expenditures as required by the City's Charter. The City did have amendments to the original appropriations ordinance to account for new funds and increased grants received during 2012.

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

Internal accounting and reporting control

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

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

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

General Fund Balance Policy

The City has a formal general fund unassigned balance and reserve policy to maintain 15 percent of general fund's appropriations. The current reserve is set at \$5.8 million and with other current available funds at \$2,786,427 these amounts represented, as stated above a 56.97 percent fund balance to operating expenditures ratio. The \$5.8 million balance is reserved to cover any future negative changes in net-profit payments from our largest taxpayers.

Debt Policy

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

Investment Policy

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

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

Independent Audit

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. Ciuni & Panichi, Inc., performed these services for 2012, and an unqualified opinion is presented in the financial section.

Certificate of Achievement

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

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

A Certificate of Achievement is valid for a period of one year only. The 2011 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 2012 Comprehensive Annual Report to the GFOA for award consideration.

Acknowledgments

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

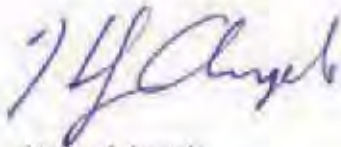
Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Henry J Angelo
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2012

Elected Officials

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

Appointed Officials

City Manager Henry J. Angelo
Director of Finance Frank C. Gambosi
Director of Law/Prosecutor..... Kenneth A. Schuman
Clerk of Council..... Lorree Villers
Director of Economic and
Community Development..... Michael S. Mallis
Building Commissioner (Acting)..... Michael S Mallis (1)
Service Director Clint E. Bellar
Superintendent of Public Works Shawn Francis
Chief of Fire..... David V. Nagy
Police Chief..... Gregory A. Duber
Director of Recreation Randall J. Lewis

(1) Michael S. Mallis appointed (Acting) Building Commissioner 12/16/2011

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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director



City of BEDFORD, Ohio

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FINANCIAL

SECTION

FINANCIAL
SECTION





City of BEDFORD, Ohio

Independent Auditor's Report

Members of the City Council
Bedford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Ohio (the "City"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the City Council
Bedford, Ohio

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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Public Safety Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 19 to the basic financial statements, in 2012, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the City Council
Bedford, Ohio

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013 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* in considering the City's internal control over financial reporting and compliance.

Cini & Paricki, Inc.

Cleveland, Ohio
June 14, 2013



City of BEDFORD, Ohio

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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, 2012. 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 an 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.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent year (2012) by \$49,326,661 compared to \$49,824,983 at the end of 2011. Of this amount, the governmental activities \$11,095,401 in (2012) and \$12,312,481 in (2011) may be used to meet the government's ongoing obligations to citizens and creditors provided it is expended or transferred according to the charter of the City of Bedford and/or the general laws of Ohio.
- Capital assets of governmental activities decreased by \$1,916,380, which represents a 5.77 percent decrease from 2011. Capital assets of business-type activities increased \$1,161,927, which represents an 8.04 percent increase from 2011. Overall capital assets decreased due to current year depreciation outpacing current year acquisitions. The City issued general obligation debt in 2010 to improve: streets, the Broadway Bridge, wastewater plant improvements including equalization basin improvements, water improvements to mains and new commercial meters, and the purchase of new vehicles including a new ambulance and front-end loader. The City issued tax exempt bonds and Build America Bonds (BABS) to make the improvements.
- The total amount of general obligation bonds including BABS issued in 2010 was \$5,090,000. The debt is to be paid from the following revenue sources: Water and Wastewater general obligation bonds and BABS from the Water and Wastewater funds with applicable water and sewer rates billed to utility users to pay for the annual debt service. The Streets, the Broadway Bridge and the loader are to be paid from the 3.28 inside mills of real estate taxes collected in the general fund but the annual general obligation bonded debt amount is then allocated to the general obligation Debt Service Fund to pay off the debt. The City refunded a portion of this debt in 2013.
- Total current governmental assets decreased by \$1,770,882 due to: less cash on hand from the borrowed funds, and decreases in income taxes, and property taxes receivables. One of the major reasons for the decrease in total governmental revenues is attributable to a decrease in the property tax and municipal income tax collections; however, increases occurred with rental collections. Other decreases were associated with investment income. This was due to a decline in interest rates and lower fund balances, while decreases in Intergovernmental receivables were due to the State cuts in the Commercial Activity Tax, local government tax and less reimbursements from Housing Improvement NSP Grants.
- Total current liabilities of governmental activities increased over 2011 by \$210,036. This was due to an increase in medical claims payable in the amount of \$161,536 and a slight increase in accrued wages payable. The business-type activities current liabilities decreased by \$394,610 during the current year. This decrease was due to more completed projects and less payables from the construction payments due on the Grand Boulevard, Magnolia, and Franklin Boulevard water line improvements.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

- The total municipal income tax revenues for all funds in 2012 were \$9,934,242 versus \$10,249,624 in 2011. This equates to a \$315,382 (3.08 percent) decrease in income tax revenue. On the cash basis of accounting, the municipal net profit income taxes paid by businesses decreased again for tax year 2012.
- Grants and Entitlements not restricted to specific programs revenues decreased due to less grant revenues from CDBG projects and housing projects.
- The City is committed to providing the Citizens of Bedford with the highest quality of services while maintaining efficiency and cost effectiveness. Overall, governmental activities expenses in 2012 increased by \$1,205,593 a 5.38 percent increase over 2011 as a result of Safety Forces payroll increases and new hires. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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

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

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

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

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes provide financial statements and disclosures that include GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Please see the Statement of Net Position concerning data reporting these changes and the further clarification of Deferred Outflows of Resources and Deferred Inflows of resources. The notes to the basic financial statements can be found on pages 33 through 64 of this report.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 66 of this report.

Government-Wide Financial Analysis While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position 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 position and the changes in that position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

The City of Bedford as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2012 compared to 2011.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$24,584,199	\$26,355,081	\$6,880,663	\$7,187,947	\$31,464,862	\$33,543,028
Capital Assets, Net	31,284,569	33,200,949	15,605,189	14,443,262	46,889,758	47,644,211
<i>Total Assets</i>	\$55,868,768	\$59,556,030	\$22,485,852	\$21,631,209	\$78,354,620	\$81,187,239

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

(Table 1)
 Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Deferred Outflows of Resources						
Deferred Charge on Refunding	\$315,312	\$336,569	\$60,334	\$141,642	\$375,646	\$478,211
Liabilities						
Current and Other Liabilities	2,615,438	2,405,402	520,112	914,722	3,135,550	3,320,124
Long-Term Liabilities:						
Due Within One Year	1,433,041	1,402,523	1,295,928	1,351,487	2,728,969	2,754,010
Due in More than One Year	12,045,783	12,904,950	6,782,473	7,612,616	18,828,256	20,517,566
<i>Total Liabilities</i>	<u>16,094,262</u>	<u>16,712,875</u>	<u>8,598,513</u>	<u>9,878,825</u>	<u>24,692,775</u>	<u>26,591,700</u>
Deferred Inflows of Resources						
Property Taxes	4,710,830	5,248,767	0	0	4,710,830	5,248,767
Net Position						
Net Investment in Capital Assets	19,668,123	20,968,797	7,732,350	5,917,802	27,400,473	26,886,599
Restricted:						
Capital Projects	147,188	241,731	0	0	147,188	241,731
Debt Service	509,480	513,704	0	0	509,480	513,704
Municipal Courts	830,873	774,291	0	0	830,873	774,291
Streets	1,115,228	1,227,043	0	0	1,115,228	1,227,043
Community Development	737,303	627,065	0	0	737,303	627,065
Street Lighting	550,136	555,255	0	0	550,136	555,255
Drug Force Violations	331,639	409,517	0	0	331,639	409,517
Other Purposes	393,617	301,073	0	0	393,617	301,073
Unrestricted	11,095,401	12,312,481	6,215,323	5,976,224	17,310,724	18,288,705
<i>Total Net Position</i>	<u>\$35,378,988</u>	<u>\$37,930,957</u>	<u>\$13,947,673</u>	<u>\$11,894,026</u>	<u>\$49,326,661</u>	<u>\$49,824,983</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$49,824,983 at December 31, 2011 and \$49,326,661 at the close of the most recent year.

The largest portion of the City's net position (55.55 percent) reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total governmental assets decreased by \$3,687,262 from 2011 to 2012, while the City's total governmental liabilities decreased by \$618,613. The most significant changes in total assets were the decrease in equity in capital assets of \$1,916,380, the decrease in income taxes receivable of \$515,244, decreases in equity in pooled cash and cash equivalents in the amount of \$337,055, and a decrease in property taxes receivable in the amount of \$713,896. The income taxes receivable decreased as the City stepped up more types of collection efforts through two outside collection vendors and therefore collected more funds and reduced delinquent accounts. Another item affecting the total assets was the accumulated depreciation on assets which reduced

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

capital assets and next year future expenditures of borrowed funds on capital projects will occur adding to net capital assets in 2013.

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

Most of the decrease in governmental net position is due to the decrease in capital assets and specifically annual depreciation expense. Also, due to the State of Ohio's budget problems, and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments, the State of Ohio has eliminated the inheritance tax as of January 1, 2013. This change has had a negative effect on the revenue stream in the City. This change in taxation will lead to a total loss of inheritance tax revenue yearly. Inheritance tax collection for 2012 was \$164,628.

The State of Ohio has also adopted House Bill 66 that phased-out the personal property tax, with 2008 being the last year of collection. The State of Ohio passed a Commercial Activities Tax (CAT) to allow the State to reimburse the City for 4 years through 2010. Thereafter, the State budget eliminated the CAT tax revenues, and cost the City annually a total of \$462,672 in 2012 and thereafter. The State of Ohio reduced the local government funds to cities at 25 percent in 2011-2012 and 50 percent in 2012-2013 for an additional loss of \$203,506 in 2012 and the loss will increase to \$330,000 per year thereafter.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2012 and 2011.

(Table 2)
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$3,359,768	\$3,376,682	\$6,918,950	\$6,651,408	\$10,278,718	\$10,028,090
Operating Grants and Contributions	2,306,058	2,171,358	0	428,182	2,306,058	2,599,540
Capital Grants and Contributions	5,000	97,583	0	0	5,000	97,583
Total Program Revenues	5,670,826	5,645,623	6,918,950	7,079,590	12,589,776	12,725,213
General Revenues						
Property Taxes	4,903,333	5,299,630	0	0	4,903,333	5,299,630
Municipal Income Taxes	9,624,987	9,957,945	309,255	291,679	9,934,242	10,249,624
Grants and Entitlements not Restricted to Specific Programs	632,800	1,131,551	0	0	632,800	1,131,551
Investment Income	20,824	108,763	67,547	81,581	88,371	190,344
Gain on Sale of Capital Assets	32,484	17,041	0	0	32,484	17,041
Miscellaneous	166,941	413,756	33,029	27,249	199,970	441,005
Total General Revenues	15,381,369	16,928,686	409,831	400,509	15,791,200	17,329,195
Total Revenues	\$21,052,195	\$22,574,309	\$7,328,781	\$7,480,099	\$28,380,976	\$30,054,408

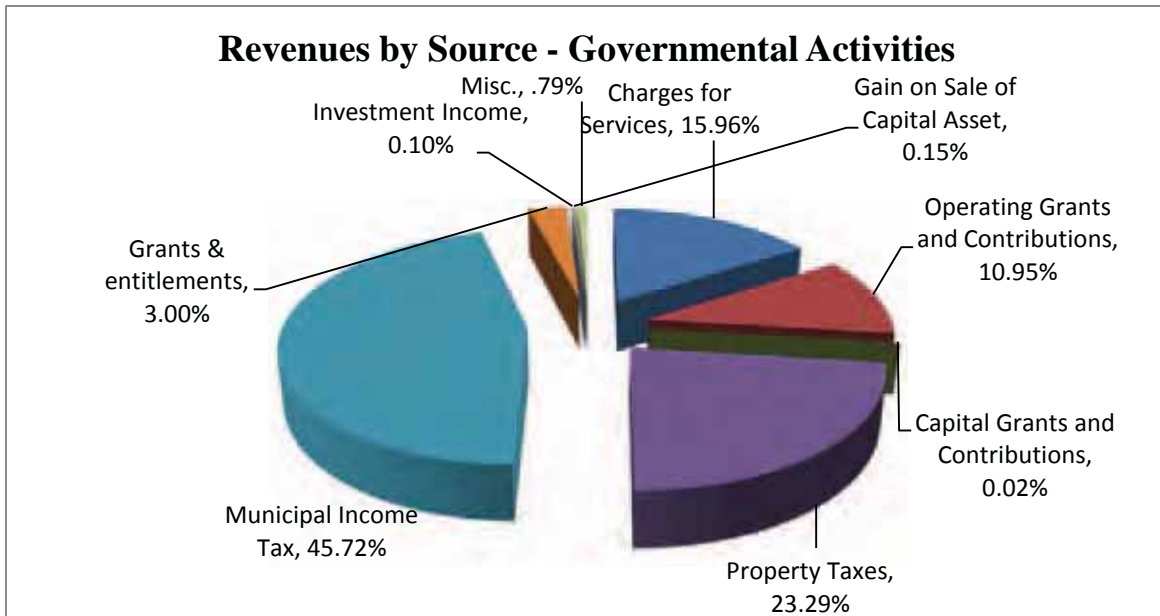
City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

(Table 2)
 Changes in Net Position (continued)

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Program Expenses						
General Government	\$5,451,587	\$5,091,308	\$0	\$0	\$5,451,587	\$5,091,308
Security of Persons and Property						
Police	5,660,332	5,290,725	0	0	5,660,332	5,290,725
Fire	4,106,403	3,779,111	0	0	4,106,403	3,779,111
Public Health and Welfare	180,994	194,643	0	0	180,994	194,643
Leisure Time Activities	1,343,654	1,324,108	0	0	1,343,654	1,324,108
Community Development	746,201	843,855	0	0	746,201	843,855
Basic Utility Services	1,015,825	1,010,797	0	0	1,015,825	1,010,797
Transportation	4,363,978	4,303,602	0	0	4,363,978	4,303,602
Interest and Fiscal Charges	735,190	560,422	0	0	735,190	560,422
Water	0	0	3,234,955	4,131,949	3,234,955	4,131,949
Wastewater	0	0	2,040,179	1,958,932	2,040,179	1,958,932
<i>Total Program Expenses</i>	<u>23,604,164</u>	<u>22,398,571</u>	<u>5,275,134</u>	<u>6,090,881</u>	<u>28,879,298</u>	<u>28,489,452</u>
Increase (Decrease) in Net Position	(2,551,969)	175,738	2,053,647	1,389,218	(498,322)	1,564,956
Net Position Beginning of Year	<u>37,930,957</u>	<u>37,755,219</u>	<u>11,894,026</u>	<u>10,504,808</u>	<u>49,824,983</u>	<u>48,260,027</u>
Net Position End of Year	<u>\$35,378,988</u>	<u>\$37,930,957</u>	<u>\$13,947,673</u>	<u>\$11,894,026</u>	<u>\$49,326,661</u>	<u>\$49,824,983</u>

Governmental Activities

Governmental activities decreased the City's net position from \$37,930,957 to \$35,378,988 or by the amount of \$2,551,969. The primary reason for the decrease in net position relates to the decrease in revenues from the property tax collections and fewer grants and entitlement dollars not restricted for specific programs especially from State funds and the Ohio Public Works Commission. Increased spending on Safety forces payrolls accounted for larger expenses.



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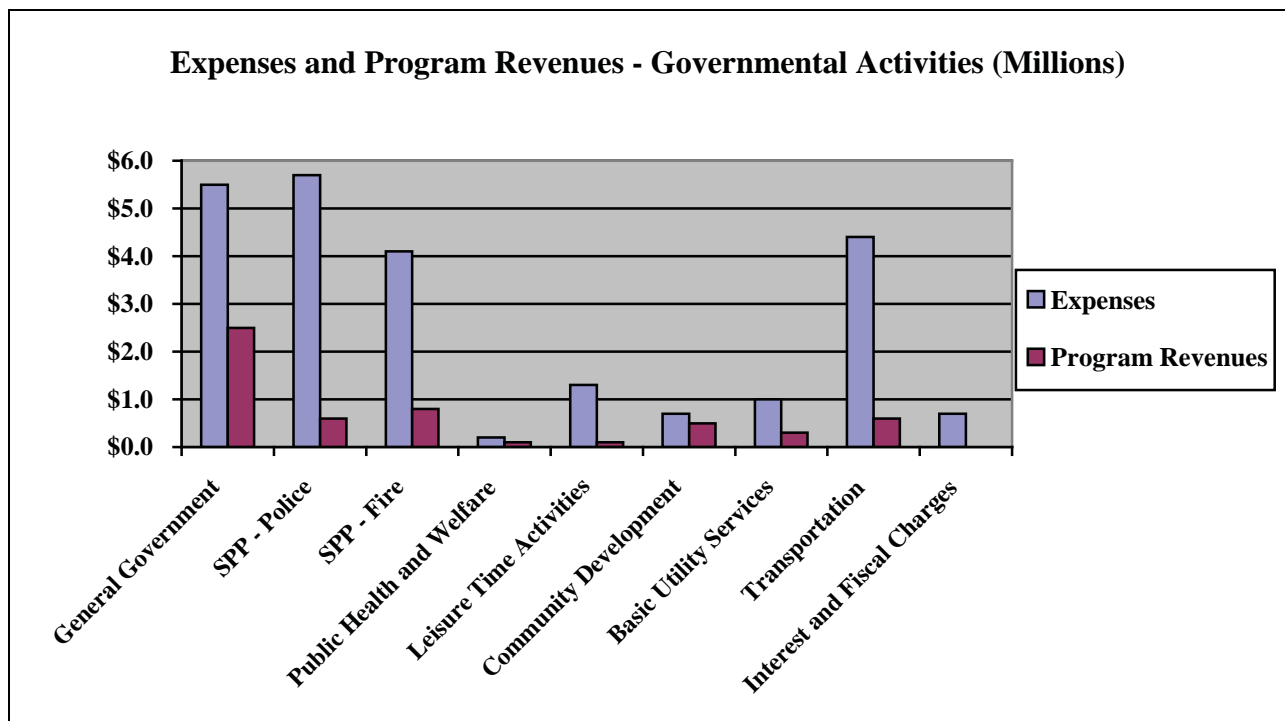
The income tax rate was 2.25 percent for 2012, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if Bedford residents work in another locality that has a municipal income tax, the City provides up to 100 percent credit to a limit of 1.50 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to reduce that income tax credit and create additional revenues for the City.

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

Decreases in various program expenses were the result of not replacing 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 contracted wage increases along with the related pension costs and employee hospitalization costs.

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2012, \$9,766,735 was spent or 41.38 percent of program expenses related to security of persons and property compared to 2011, when \$9,069,836 was spent or 40.49 percent. Police officers added at the end of 2012 brought the department to full staffing levels. The cost increase was due to salary increases and in line with inflation.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winter was good in 2011-2012; the slight change was due to wage increases of 2 percent. The City maintains salt funding for two years of winter storms at all times.



City of Bedford, Ohio
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Business-Type Activities

The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net position by \$2,053,647. Program revenues were more than program expenses in the amount of \$1,297,400 for the water operations in 2012. This increase in net position is due to repairing major waterline breaks in 2012. This decreased the amount paid for water consumption to the City of Cleveland and allowed the City of Bedford to bill a larger percentage of water to consumers versus what was paid for in 2012. There were more delinquencies due to foreclosures in water billings in 2012. This revenue is classified as charges for services. The water rate increases of 3.00 percent annually went into effect in 2011, 2012, and 2013 respectively.

Program revenues were more than program expenses in the amount of \$346,416 for the wastewater operations for 2012. An increase in wastewater rates was placed into effect in 2011, 2012 and 2013 at 4 percent each year and created this increase in revenue. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels of non-payment. Total program revenues for wastewater operations recorded in 2012 were \$2,386,595 versus \$2,233,413 in 2011.

EXPENSES AND PROGRAM REVENUES
(in millions)



Financial Analysis of the Government's Funds

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

Governmental Funds

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

All governmental funds had total revenues of \$21,709,436 in 2012 and \$22,215,741 in 2011, and total expenditures of \$21,995,737 in 2012 and \$21,836,202 in 2011 leaving a difference of revenues over (under) expenditures of (\$286,301) and \$379,539 respectively. The most significant change in our funds from 2011 to 2012 was the decrease in intergovernmental revenue of \$365,472 which was the direct result of the previously mentioned State revenue cuts and elimination of revenue to municipalities. Charges for services also decreased by \$378,338 due to a receivable of a one-time tower rental, recorded as a receivable in 2011 and received in 2012. The main increase in expenses was wage increases. Capital outlay decreased as there were fewer projects constructed in 2012 with Community Development Block Grant funds.

City of Bedford, Ohio
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The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$10,472,285 compared to \$10,298,738 in 2011 of which \$10,193,528 in 2012 was unassigned at year-end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balances to total fund expenditures including transfers out. The 2012 unassigned fund balance represents 67.02 percent of total general fund expenditures and transfers out, while total fund balances represents 68.85 percent. The unassigned fund balance will cover 245 days of City general fund expenditures. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund increased by \$173,547. The increase in the general fund balance is due to increased collections from the municipal income tax, and the increase in fines and forfeitures helped stabilize overall revenues. The income tax revenue in the general fund for 2012 was \$9,207,903 and was \$8,990,512 in 2011. The transfers out of \$3,538,865 in 2012 were less than the \$3,874,469 in 2011 due to the Street Maintenance and Repair fund not needing transfers in 2012. These transfers are identified in Note 11 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2012 was \$39,977 and \$229,120 in 2011. 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 2012.

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

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2012, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the whole Council for Ordinance enactment on the changes. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our service department, and the municipal court activities, as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

The general fund's, original budgeted revenues were \$14,639,139. The final budgeted revenue amount was \$14,640,683. The general fund's original appropriations were budgeted at \$10,160,705. The final budgeted appropriations were \$10,954,755. The City of Bedford's ending unencumbered cash balance in the general fund was increased by \$1,832,746 above the final budgeted amount.

The differences between the general fund's original and final amended revenue budget were minor, however, expenditure budget amounts did have major changes as follows:

- The most significant budget change was the increase in General Government Expenditures \$396,591 over the prior year. This increase was mainly due to special projects expenditures associated with the company Impact and the City's marketing plan, auditor and treasurer fees and income tax refunds.

City of Bedford, Ohio
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- ❑ The police (non-officer) department left unspent \$74,385 (3.67 percent) of anticipated expenditures in 2012.
- ❑ The community development fund left unspent \$124,131 (23.89 percent) of anticipated expenditures in 2012. This was from projects not yet completed on Rockside Road.
- ❑ The service department in transportation had unspent \$154,948 (8.52 percent) of expenditures versus final budgeted amounts.
- ❑ The transfers out to other funds had unspent \$200,000 (4.07 percent) of expenditures versus final budgeted amounts due to less money being needed to support Street Maintenance programs, recreation programs and the Police pension funds.

Actual expenditures were \$831,648 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	
	2012	2011	2012	2011	2012	2011
Land	\$2,908,079	\$2,908,079	\$28,620	\$28,620	\$2,936,699	\$2,936,699
Construction in Progress	140,087	114,499	657,906	689,242	797,993	803,741
Buildings and Improvements	13,560,799	13,930,781	6,830,073	6,560,263	20,390,872	20,491,044
Machinery and Equipment	1,096,416	1,067,949	195,026	215,325	1,291,442	1,283,274
Furniture and Fixtures	113,026	132,949	0	0	113,026	132,949
Vehicles	1,047,966	1,073,026	259,484	286,235	1,307,450	1,359,261
Infrastructure	12,418,196	13,973,666	7,634,080	6,663,577	20,052,276	20,637,243
Total	\$31,284,569	\$33,200,949	\$15,605,189	\$14,443,262	\$46,889,758	\$47,644,211

Total governmental capital assets decreased by \$1,916,380 in 2012. Decreases in many capital asset categories occurred in 2012 mostly due to depreciation expense and the disposal of \$359,195 in governmental capital assets. The depreciation expense of governmental activity assets for the year 2012 was \$2,567,153. The City had \$664,702 of additions to capital assets in 2012.

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

City of Bedford, Ohio
Management's Discussion and Analysis
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Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$10,984,030	\$11,729,474	\$4,095,413	\$4,439,170	\$15,079,443	\$16,168,644
Special Assessment Bonds	170,000	240,000	0	0	170,000	240,000
OPWC Loans	733,253	807,359	1,460,186	1,092,830	2,193,439	1,900,189
OWDA Loans	0	0	2,393,182	3,298,229	2,393,182	3,298,229
Police Pension	176,794	181,428	0	0	176,794	181,428
Capital Leases	44,475	12,915	0	0	44,475	12,915
Compensated Absences	1,370,272	1,336,297	129,620	133,874	1,499,892	1,470,171
Total	\$13,478,824	\$14,307,473	\$8,078,401	\$8,964,103	\$21,557,225	\$23,271,576

The Governmental debt consisted of the following:

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

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

The police pension liability loan is the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension Fund was established. The rate of interest to be paid is 4.25 percent and as of December 31, 2012 the balance was \$176,794.

The Business-type debt consisted of the following:

The general obligation bonds are composed of the 2010 Water (\$1,625,000) and Wastewater (\$1,320,000) improvements, this new issue is to be repaid from the water rates and water bill collections; 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; and (3) the second refunded issue in the amount of \$1.165 million to pay off the general obligation bonds outstanding from the 1997 water issue. The Grand, Magnolia, and Franklin water line OPWC project (\$454,000) will be repaid

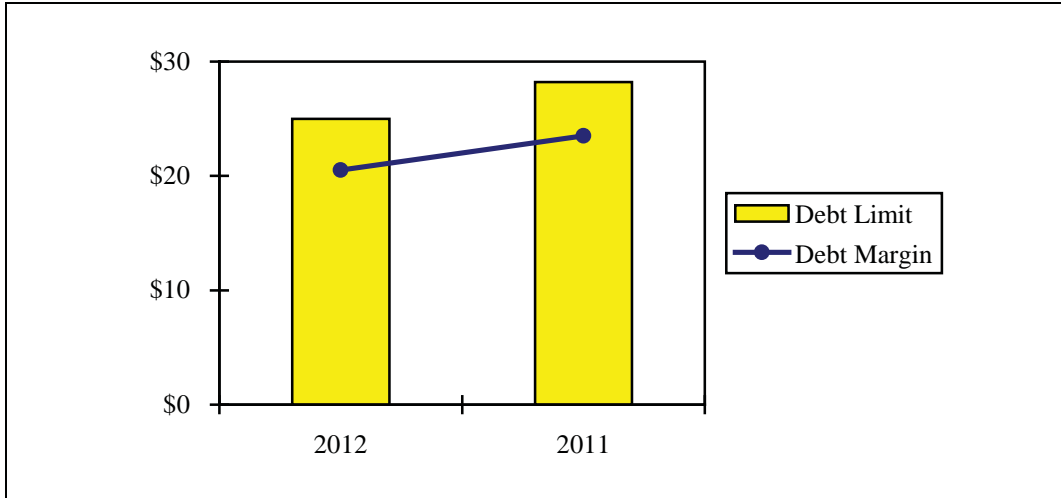
City of Bedford, Ohio
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from the water rates, and the funds to match this grant came from the bond proceeds issued in 2010. This 2010 issue is to be repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington Street, Tinkers Creek Commerce Park and Forbes Road water line. The amount of \$646,000 out of the \$1,900,000, 2006 new money was issued to pay for these water lines.

The 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 wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has two of these types of loans outstanding at year end. The OWDA loans outstanding are for the following purposes: the 1994 various wastewater plant improvements (\$832,056 outstanding) and the 2003 Rapid Sandfilter Improvement (\$1,561,126 outstanding). These loans are for 20 years at 4.80 percent and 3.90 percent respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin increased to \$23.8 million. This is the additional amount of debt the City could issue. The legal debt margin increased \$0.3 million from 2011 to 2012 due to a pay down of current year debt.



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

Current Financial Related Activities

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

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The City of Bedford is financially strong as evidenced by Moody's Investors Service's April 23, 2013, assigned Aa2 rating to the City of Bedford's \$7.6 million General Obligation Long Term Various Purpose Improvement and Refunding Bonds series 2013. Moody's Investors Service is quoted as stating "The Aa2 rating is based upon the City's very healthy financial position, strong fiscal management, modest and concentrated tax base with a below average socioeconomic profile and manageable debt burden".

Strengths were quoted as follows:

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

Challenges were quoted as follows:

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

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

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

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

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

Contacting the City's Finance Department

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

City of Bedford, Ohio
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$13,482,663	\$5,301,694	\$18,784,357
Cash and Cash Equivalents with Fiscal Agents	5,139	0	5,139
Accounts Receivable	91,638	1,381,106	1,472,744
Accrued Interest Receivable	1,930	3,172	5,102
Intergovernmental Receivable	1,210,007	0	1,210,007
Internal Balances	35,283	(35,283)	0
Income Taxes Receivable	2,561,977	0	2,561,977
Materials and Supplies Inventory	156,078	229,974	386,052
Prepaid Items	31,622	0	31,622
Loans Receivable	25,000	0	25,000
Property Taxes Receivable	5,060,513	0	5,060,513
Special Assessments Receivable	806,358	0	806,358
Assets Held for Resale	1,115,991	0	1,115,991
Nondepreciable Capital Assets	3,048,166	686,526	3,734,692
Depreciable Capital Assets, Net	28,236,403	14,918,663	43,155,066
<i>Total Assets</i>	<u>55,868,768</u>	<u>22,485,852</u>	<u>78,354,620</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	315,312	60,334	375,646
Liabilities			
Accounts Payable	195,591	278,439	474,030
Accrued Wages	443,431	49,959	493,390
Intergovernmental Payable	600,385	41,754	642,139
Vacation Benefits Payable	707,663	84,497	792,160
Claims Payable	342,245	0	342,245
Unearned Revenue	266,000	0	266,000
Retainage Payable	5,139	0	5,139
Accrued Interest Payable	54,984	65,463	120,447
Long-Term Liabilities:			
Due Within One Year	1,433,041	1,295,928	2,728,969
Due In More Than One Year	12,045,783	6,782,473	18,828,256
<i>Total Liabilities</i>	<u>16,094,262</u>	<u>8,598,513</u>	<u>24,692,775</u>
Deferred Inflows of Resources			
Property Taxes	4,710,830	0	4,710,830
Net Position			
Net Investment in Capital Assets	19,668,123	7,732,350	27,400,473
Restricted for:			
Capital Projects	147,188	0	147,188
Debt Service	509,480	0	509,480
Municipal Courts	830,873	0	830,873
Streets	1,115,228	0	1,115,228
Community Development	737,303	0	737,303
Street Lighting	550,136	0	550,136
Drug Force Violations	331,639	0	331,639
Other Purposes	393,617	0	393,617
Unrestricted	11,095,401	6,215,323	17,310,724
<i>Total Net Position</i>	<u>\$35,378,988</u>	<u>\$13,947,673</u>	<u>\$49,326,661</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	
Governmental Activities				
General Government	\$5,451,587	\$2,082,652	\$445,252	\$0
Security of Persons and Property				
Police	5,660,332	64,368	565,729	0
Fire	4,106,403	429,512	355,615	0
Public Health and Welfare	180,994	14,211	88,825	0
Leisure Time Activities	1,343,654	128,611	13,128	0
Community Development	746,201	329,643	212,341	0
Basic Utility Services	1,015,825	310,771	0	0
Transportation	4,363,978	0	625,168	5,000
Interest and Fiscal Charges	735,190	0	0	0
<i>Total Governmental Activities</i>	<u>23,604,164</u>	<u>3,359,768</u>	<u>2,306,058</u>	<u>5,000</u>
Business-Type Activities				
Water	3,234,955	4,532,355	0	0
Wastewater	2,040,179	2,386,595	0	0
<i>Total Business-Type Activities</i>	<u>5,275,134</u>	<u>6,918,950</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$28,879,298</u>	<u>\$10,278,718</u>	<u>\$2,306,058</u>	<u>\$5,000</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

 Wastewater

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$2,923,683)	\$0	(\$2,923,683)
(5,030,235)	0	(5,030,235)
(3,321,276)	0	(3,321,276)
(77,958)	0	(77,958)
(1,201,915)	0	(1,201,915)
(204,217)	0	(204,217)
(705,054)	0	(705,054)
(3,733,810)	0	(3,733,810)
(735,190)	0	(735,190)
<u>(17,933,338)</u>	<u>0</u>	<u>(17,933,338)</u>
0	1,297,400	1,297,400
<u>0</u>	<u>346,416</u>	<u>346,416</u>
<u>0</u>	<u>1,643,816</u>	<u>1,643,816</u>
<u>(17,933,338)</u>	<u>1,643,816</u>	<u>(16,289,522)</u>
1,898,877	0	1,898,877
225,894	0	225,894
2,778,562	0	2,778,562
8,904,771	0	8,904,771
720,216	0	720,216
0	309,255	309,255
632,800	0	632,800
20,824	67,547	88,371
32,484	0	32,484
166,941	33,029	199,970
<u>15,381,369</u>	<u>409,831</u>	<u>15,791,200</u>
(2,551,969)	2,053,647	(498,322)
<u>37,930,957</u>	<u>11,894,026</u>	<u>49,824,983</u>
<u>\$35,378,988</u>	<u>\$13,947,673</u>	<u>\$49,326,661</u>

City of Bedford, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,126,250	\$610,466	\$3,442,645	\$13,179,361
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	0	5,139	5,139
Property Taxes Receivable	1,958,923	2,868,379	233,211	5,060,513
Income Taxes Receivable	2,561,977	0	0	2,561,977
Accounts Receivable	91,638	0	0	91,638
Intergovernmental Receivable	457,290	159,600	591,424	1,208,314
Interfund Receivable	632,409	0	0	632,409
Accrued Interest Receivable	1,930	0	0	1,930
Materials and Supplies Inventory	148,455	7,623	0	156,078
Prepaid Items	31,622	0	0	31,622
Loans Receivable	0	0	25,000	25,000
Special Assessments Receivable	131,605	0	674,753	806,358
Assets Held for Resale	14,713	0	1,101,278	1,115,991
<i>Total Assets</i>	<u>\$15,156,812</u>	<u>\$3,646,068</u>	<u>\$6,073,450</u>	<u>\$24,876,330</u>
Liabilities				
Accounts Payable	\$117,197	\$5,918	\$70,643	\$193,758
Accrued Wages	229,013	207,446	6,972	443,431
Intergovernmental Payable	230,059	364,748	5,578	600,385
Interfund Payable	0	0	632,409	632,409
Retainage Payable	0	0	5,139	5,139
Unearned Revenue	0	0	266,000	266,000
<i>Total Liabilities</i>	<u>576,269</u>	<u>578,112</u>	<u>986,741</u>	<u>2,141,122</u>
Deferred Inflows of Resources				
Property Taxes	1,823,547	2,670,194	217,089	4,710,830
Unavailable Revenue	2,284,711	357,785	915,834	3,558,330
<i>Total Deferred Inflows of Resources</i>	<u>4,108,258</u>	<u>3,027,979</u>	<u>1,132,923</u>	<u>8,269,160</u>
Fund Balances				
Nonspendable	194,790	7,623	0	202,413
Restricted	0	32,354	3,802,202	3,834,556
Committed	24,374	0	79,064	103,438
Assigned	74,306	0	96,367	170,673
Unassigned (Deficit)	10,178,815	0	(23,847)	10,154,968
<i>Total Fund Balances</i>	<u>10,472,285</u>	<u>39,977</u>	<u>3,953,786</u>	<u>14,466,048</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$15,156,812</u>	<u>\$3,646,068</u>	<u>\$6,073,450</u>	<u>\$24,876,330</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2012*

Total Governmental Fund Balances \$14,466,048

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

Capital assets used in governmental activities are not financial resources and
 therefore are not reported in the funds. 31,284,569

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

Delinquent Property Taxes	\$349,683
Income Taxes	1,670,805
Special Assessments	806,358
Intergovernmental	<u>731,484</u>

Total 3,558,330

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

Net Position	(39,083)
Internal Balances	<u>35,283</u>

Total (3,800)

In the statement of activities, interest is accrued on outstanding bonds, whereas
 in governmental funds, an interest expenditure is reported when due. (54,984)

Vacation benefits payable is not expected to be paid with expendable available
 financial resources and therefore not reported in the funds. (707,663)

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

General Obligation Bonds	(10,984,030)
Special Assessment Bonds	(170,000)
OPWC Loans	(733,253)
Police Pension	(176,794)
Capital Leases	(44,475)
Compensated Absences	(1,370,272)
Deferred Charge on Refunding	<u>315,312</u>

Total (13,163,512)

Net Position of Governmental Activities \$35,378,988

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, 2012

	General	Public Safety	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,966,997	\$2,878,289	\$234,006	\$5,079,292
Municipal Income Taxes	9,207,903	0	720,216	9,928,119
Charges for Services	646,030	0	480	646,510
Fees, Licenses and Permits	210,750	46	0	210,796
Fines and Forfeitures	1,659,895	0	288,856	1,948,751
Intergovernmental	1,364,642	328,678	1,358,537	3,051,857
Special Assessments	18,389	0	408,819	427,208
Contributions and Donations	0	0	14,708	14,708
Interest	2,200	2,857	14,588	19,645
Rentals	242,940	0	0	242,940
Other	17,653	608	121,349	139,610
<i>Total Revenues</i>	<u>15,337,399</u>	<u>3,210,478</u>	<u>3,161,559</u>	<u>21,709,436</u>
Expenditures				
Current:				
General Government	5,010,996	0	22,056	5,033,052
Security of Persons and Property:				
Police	1,949,689	2,948,374	573,768	5,471,831
Fire	213,052	3,671,247	13,260	3,897,559
Public Health and Welfare	173,885	0	5,678	179,563
Leisure Time Activities	1,250,112	0	15,216	1,265,328
Community Development	673,744	0	178,507	852,251
Basic Utility Services	698,636	0	317,189	1,015,825
Transportation	1,681,156	0	744,254	2,425,410
Capital Outlay	0	0	473,374	473,374
Debt Service:				
Principal Retirement	12,614	0	886,906	899,520
Interest and Fiscal Charges	7,662	0	474,362	482,024
<i>Total Expenditures</i>	<u>11,671,546</u>	<u>6,619,621</u>	<u>3,704,570</u>	<u>21,995,737</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,665,853</u>	<u>(3,409,143)</u>	<u>(543,011)</u>	<u>(286,301)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	7,019	20,000	5,877	32,896
Inception of Capital Lease	39,540	0	0	39,540
Transfers In	0	3,200,000	670,767	3,870,767
Transfers Out	(3,538,865)	0	(371,902)	(3,910,767)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,492,306)</u>	<u>3,220,000</u>	<u>304,742</u>	<u>32,436</u>
<i>Net Change in Fund Balances</i>	173,547	(189,143)	(238,269)	(253,865)
<i>Fund Balances Beginning of Year</i>	<u>10,298,738</u>	<u>229,120</u>	<u>4,192,055</u>	<u>14,719,913</u>
<i>Fund Balances End of Year</i>	<u>\$10,472,285</u>	<u>\$39,977</u>	<u>\$3,953,786</u>	<u>\$14,466,048</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, 2012*

Net Change in Fund Balances - Total Governmental Funds (\$253,865)

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

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

Capital Asset Additions	\$664,702	
Current Year Depreciation	(2,567,153)	
Total		(1,902,451)

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. (13,929)

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

Delinquent Property Taxes	(175,959)	
Income Taxes	(303,132)	
Special Assessments	(116,437)	
Intergovernmental	(122,707)	
Total		(718,235)

Other financing sources in the governmental funds, such as inception of capital lease, increase long-term liabilities in the statement of net position. (39,540)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 899,520

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	(234,553)	
Amortization of Premium	5,233	
Amortization of Discount	(2,589)	
Amortization of Deferred Charge on Refunding	(21,257)	
Total		(253,166)

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

Compensated Absences	(33,975)	
Vacation Benefits Payable	(9,945)	
Total		(43,920)

The internal service fund used to charge the costs of insurance to individual funds is not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenue are eliminated.

The net revenue (expense) of the internal service fund is allocated among the governmental and business-type activities.

Change in Net Position	(257,852)	
Change in Internal Balance	31,469	
Total		(226,383)

Change in Net Position of Governmental Activities (\$2,551,969)

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,028,402	\$2,028,402	\$1,966,997	(\$61,405)
Municipal Income Taxes	8,743,105	8,743,105	9,265,250	522,145
Charges for Services	598,675	598,675	644,548	45,873
Fees, Licenses and Permits	224,945	224,945	204,056	(20,889)
Fines and Forfeitures	1,612,575	1,612,575	1,679,291	66,716
Intergovernmental	1,313,172	1,314,716	1,387,511	72,795
Special Assessments	18,389	18,389	18,389	0
Interest	67,785	67,785	13,382	(54,403)
Rentals	16,980	16,980	242,940	225,960
Other	15,111	15,111	19,898	4,787
<i>Total Revenues</i>	14,639,139	14,640,683	15,442,262	801,579
Expenditures				
Current:				
General Government	4,983,978	5,386,905	5,020,716	366,189
Security of Persons and Property:				
Police	1,767,618	2,024,653	1,950,268	74,385
Fire	255,275	270,275	223,395	46,880
Public Health and Welfare	50,204	50,204	50,204	0
Leisure Time Activities	175,875	181,875	120,621	61,254
Community Development	487,099	519,647	395,516	124,131
Basic Utility Services	702,500	702,500	698,639	3,861
Transportation	1,738,156	1,818,696	1,663,748	154,948
<i>Total Expenditures</i>	10,160,705	10,954,755	10,123,107	831,648
<i>Excess of Revenues Over Expenditures</i>	4,478,434	3,685,928	5,319,155	1,633,227
Other Financing Sources (Uses)				
Sale of Capital Assets	7,500	7,500	7,019	(481)
Advances In	300,000	80,000	80,000	0
Advances Out	0	(238,909)	(238,909)	0
Transfers Out	(4,630,865)	(4,910,865)	(4,710,865)	200,000
<i>Total Other Financing Sources (Uses)</i>	(4,323,365)	(5,062,274)	(4,862,755)	199,519
<i>Net Change in Fund Balance</i>	155,069	(1,376,346)	456,400	1,832,746
<i>Fund Balance Beginning of Year</i>	8,049,895	8,049,895	8,049,895	0
Prior Year Encumbrances Appropriated	80,132	80,132	80,132	0
<i>Fund Balance End of Year</i>	\$8,285,096	\$6,753,681	\$8,586,427	\$1,832,746

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$2,968,332	\$2,968,332	\$2,878,289	(\$90,043)
Fees, Licenses and Permits	85	85	46	(39)
Intergovernmental	329,814	329,814	328,678	(1,136)
Interest	4,000	4,000	2,857	(1,143)
Other	15	15	608	593
<i>Total Revenues</i>	<u>3,302,246</u>	<u>3,302,246</u>	<u>3,210,478</u>	<u>(91,768)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	2,967,735	3,059,680	2,937,307	122,373
Fire	3,464,713	3,722,117	3,673,942	48,175
<i>Total Expenditures</i>	<u>6,432,448</u>	<u>6,781,797</u>	<u>6,611,249</u>	<u>170,548</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,130,202)</u>	<u>(3,479,551)</u>	<u>(3,400,771)</u>	<u>78,780</u>
Other Financing Sources				
Sale of Capital Assets	0	0	20,000	20,000
Transfers In	3,075,000	3,240,000	3,200,000	(40,000)
<i>Total Other Financing Sources</i>	<u>3,075,000</u>	<u>3,240,000</u>	<u>3,220,000</u>	<u>(20,000)</u>
<i>Net Change in Fund Balance</i>	(55,202)	(239,551)	(180,771)	58,780
<i>Fund Balance Beginning of Year</i>	756,712	756,712	756,712	0
Prior Year Encumbrances Appropriated	21,309	21,309	21,309	0
<i>Fund Balance End of Year</i>	<u>\$722,819</u>	<u>\$538,470</u>	<u>\$597,250</u>	<u>\$58,780</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	Enterprise			Internal Service
	Water	Wastewater	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,799,094	\$1,502,600	\$5,301,694	\$303,302
Receivables:				
Accounts	893,475	487,631	1,381,106	0
Intergovernmental	0	0	0	1,693
Accrued Interest	2,273	899	3,172	0
Materials and Supplies Inventory	154,709	75,265	229,974	0
<i>Total Current Assets</i>	<u>4,849,551</u>	<u>2,066,395</u>	<u>6,915,946</u>	<u>304,995</u>
<i>Noncurrent Assets</i>				
Nondepreciable Capital Assets	185,981	500,545	686,526	0
Depreciable Capital Assets, Net	5,424,321	9,494,342	14,918,663	0
<i>Total Noncurrent Assets</i>	<u>5,610,302</u>	<u>9,994,887</u>	<u>15,605,189</u>	<u>0</u>
<i>Total Assets</i>	<u>10,459,853</u>	<u>12,061,282</u>	<u>22,521,135</u>	<u>304,995</u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	10,211	50,123	60,334	0
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	265,380	13,059	278,439	1,833
Accrued Wages	20,190	29,769	49,959	0
Intergovernmental Payable	16,235	25,519	41,754	0
Vacation Benefits Payable	32,855	51,642	84,497	0
Compensated Absences Payable	28,002	24,548	52,550	0
Accrued Interest Payable	8,650	56,813	65,463	0
General Obligation Bonds Payable	122,200	75,000	197,200	0
OPWC Loans Payable	42,700	55,294	97,994	0
OWDA Loans Payable	0	948,184	948,184	0
Claims Payable	0	0	0	342,245
<i>Total Current Liabilities</i>	<u>536,212</u>	<u>1,279,828</u>	<u>1,816,040</u>	<u>344,078</u>
<i>Long-Term Liabilities (net of current portion)</i>				
Compensated Absences Payable	32,359	44,711	77,070	0
General Obligation Bonds Payable	2,237,647	1,660,566	3,898,213	0
OPWC Loans Payable	729,950	632,242	1,362,192	0
OWDA Loans Payable	0	1,444,998	1,444,998	0
<i>Total Long-Term Liabilities</i>	<u>2,999,956</u>	<u>3,782,517</u>	<u>6,782,473</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,536,168</u>	<u>5,062,345</u>	<u>8,598,513</u>	<u>344,078</u>
Net Position				
Net Investment in Capital Assets	2,497,493	5,234,857	7,732,350	0
Unrestricted (Deficit)	4,436,403	1,814,203	6,250,606	(39,083)
<i>Total Net Position (Deficit)</i>	<u>\$6,933,896</u>	<u>\$7,049,060</u>	13,982,956	<u>(\$39,083)</u>
Net position reported for business-type activities in the statement of net position are different because they include accumulated overpayments to the internal service fund:			<u>(35,283)</u>	
Net position of business-type activities			<u>\$13,947,673</u>	

See accompanying notes to the basic financial statements

City of Bedford, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012*

	Enterprise			Internal Service
	Water	Wastewater	Total	
Operating Revenues				
Charges for Services	\$4,532,355	\$2,386,595	\$6,918,950	\$2,867,778
Other	33,029	0	33,029	27,331
<i>Total Operating Revenues</i>	<u>4,565,384</u>	<u>2,386,595</u>	<u>6,951,979</u>	<u>2,895,109</u>
Operating Expenses				
Personal Services	631,261	1,061,220	1,692,481	0
Contractual Services	2,172,912	83,930	2,256,842	333,982
Materials and Supplies	97,369	252,157	349,526	0
Depreciation	107,821	299,255	407,076	0
Claims	0	0	0	2,860,158
Other	8,059	3,272	11,331	0
<i>Total Operating Expenses</i>	<u>3,017,422</u>	<u>1,699,834</u>	<u>4,717,256</u>	<u>3,194,140</u>
<i>Operating Income (Loss)</i>	<u>1,547,962</u>	<u>686,761</u>	<u>2,234,723</u>	<u>(299,031)</u>
Non-Operating Revenues (Expenses)				
Interest	41,328	26,219	67,547	1,179
Municipal Income Taxes	0	309,255	309,255	0
Interest and Fiscal Charges	(206,088)	(320,321)	(526,409)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(164,760)</u>	<u>15,153</u>	<u>(149,607)</u>	<u>1,179</u>
<i>Income (Loss) before Transfers</i>	1,383,202	701,914	2,085,116	(297,852)
Transfers In	0	0	0	40,000
<i>Change in Net Position</i>	1,383,202	701,914	2,085,116	(257,852)
<i>Net Position Beginning of Year</i>	<u>5,550,694</u>	<u>6,347,146</u>		<u>218,769</u>
<i>Net Position (Deficit) End of Year</i>	<u>\$6,933,896</u>	<u>\$7,049,060</u>		<u>(\$39,083)</u>

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

(31,469)

Change in net position of business-type activities

\$2,053,647

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise			Internal Service
	Water	Wastewater	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,667,623	\$2,357,365	\$7,024,988	\$0
Cash Received from Interfund Services Provided	0	0	0	2,866,085
Other Cash Receipts	33,029	0	33,029	27,331
Cash Payments to Employees for Services	(621,525)	(1,066,960)	(1,688,485)	0
Cash Payments for Goods and Services	(2,656,547)	(376,775)	(3,033,322)	(333,412)
Cash Payments for Claims	0	0	0	(2,698,622)
Other Cash Payments	(8,059)	(3,272)	(11,331)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,414,521</u>	<u>910,358</u>	<u>2,324,879</u>	<u>(138,618)</u>
Cash Flows from Noncapital Financing Activities				
Cash Received from Municipal Income Taxes	0	309,255	309,255	0
Transfers In	0	0	0	40,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>309,255</u>	<u>309,255</u>	<u>40,000</u>
Cash Flows from Capital and Related Financing Activities				
Capital Grants Received	240,000	0	240,000	0
Proceeds from OPWC Loans	454,000	0	454,000	0
Principal Paid on General Obligation Bonds	(262,200)	(80,000)	(342,200)	0
Interest Paid on General Obligation Bonds	(113,286)	(76,824)	(190,110)	0
Principal Paid on OWDA Loans	0	(905,047)	(905,047)	0
Interest Paid on OWDA Loans	0	(135,242)	(135,242)	0
Principal Paid on OPWC Loans	(31,350)	(55,294)	(86,644)	0
Payments for Capital Acquisitions	(1,055,973)	(513,030)	(1,569,003)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(768,809)</u>	<u>(1,765,437)</u>	<u>(2,534,246)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	39,055	25,320	64,375	1,179
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	684,767	(520,504)	164,263	(97,439)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,114,327</u>	<u>2,023,104</u>	<u>5,137,431</u>	<u>400,741</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,799,094</u>	<u>\$1,502,600</u>	<u>\$5,301,694</u>	<u>\$303,302</u>

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2012

	Enterprise			Internal Service
	Water	Wastewater	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$1,547,962	\$686,761	\$2,234,723	(\$299,031)
Adjustments:				
Depreciation	107,821	299,255	407,076	0
(Increase) Decrease in Assets:				
Accounts Receivable	135,268	(29,230)	106,038	0
Intergovernmental Receivable	0	0	0	(1,693)
Materials and Supplies Inventory	(16,893)	(29,416)	(46,309)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(369,373)	(11,272)	(380,645)	570
Accrued Wages	2,631	3,979	6,610	0
Intergovernmental Payable	365	176	541	0
Vacation Benefits Payable	1,037	62	1,099	0
Compensated Absences Payable	5,703	(9,957)	(4,254)	0
Claims Payable	0	0	0	161,536
<i>Total Adjustments</i>	<u>(133,441)</u>	<u>223,597</u>	<u>90,156</u>	<u>160,413</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$1,414,521</u>	<u>\$910,358</u>	<u>\$2,324,879</u>	<u>(\$138,618)</u>

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2012

Assets	
Equity in Pooled Cash and Cash Equivalents	\$237
Cash and Cash Equivalents in Segregated Accounts	<u>187,395</u>
<i>Total Assets</i>	<u><u>\$187,632</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$187,632</u></u>

See accompanying notes to the basic financial statements

NOTES TO
BASIC
FINANCIAL
STATEMENTS





City of BEDFORD, Ohio

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations 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 more significant of the City's accounting policies are described below.

Basis of Presentation

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

Fund Accounting

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

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

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

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

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

Measurement Focus

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Basis of Accounting

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

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

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

Pooled Cash and Cash Equivalents

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

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

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

During 2012, investments were limited to repurchase agreements, municipal bonds, federal national mortgage association notes, federal home loan bank bonds and STAR Ohio, the State Treasurer's Investment Pool.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2012 amounted to \$2,200, of which \$15 was assigned from other funds.

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

Materials and Supplies Inventory

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Assets Held for Resale

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

Capital Assets

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

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

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

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

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, 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 Position

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fund Balance

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

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

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

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

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Operating Revenues and Expenses

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

Deferred Charge on Refunding

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

Bond Premiums and Discounts

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

Interfund Activity

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

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

Estimates

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Minimum fund balance policy

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

Budgetary Data

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

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

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

Note 3 – Fund Balances

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

Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$31,622	\$0	\$0	\$31,622
Inventory	148,455	7,623	0	156,078
Assets Held for Resale	14,713	0	0	14,713
<i>Total Nonspendable</i>	<u>\$194,790</u>	<u>\$7,623</u>	<u>\$0</u>	<u>\$202,413</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Fund Balances	General Fund	Public Safety	Nonmajor Governmental Funds	Total
<u>Restricted for:</u>				
Public Safety	\$0	\$32,354	\$0	\$32,354
Community Development	0	0	737,303	737,303
State Highway	0	0	135,961	135,961
Indigent Drivers	0	0	202,292	202,292
Seal Narcotics	0	0	331,639	331,639
Enforcement and Education	0	0	2,222	2,222
Street Lighting	0	0	258,525	258,525
Street Construction, Maintenance and Repair	0	0	669,975	669,975
Cemetery Improvements	0	0	43,292	43,292
Municipal Court Special Programs	0	0	830,873	830,873
Indigent Interlock	0	0	47,246	47,246
Debt service payments	0	0	182,442	182,442
Capital Improvements	0	0	147,188	147,188
Other Purposes	0	0	213,244	213,244
<i>Total Restricted</i>	<u>0</u>	<u>32,354</u>	<u>3,802,202</u>	<u>3,834,556</u>
<u>Committed to:</u>				
Capital Improvements	0	0	79,064	79,064
Purchases of Software	24,374	0	0	24,374
<i>Total Committed</i>	<u>24,374</u>	<u>0</u>	<u>79,064</u>	<u>103,438</u>
<u>Assigned to:</u>				
Capital Improvements	0	0	96,367	96,367
Purchases on Order	74,306	0	0	74,306
<i>Total Assigned</i>	<u>74,306</u>	<u>0</u>	<u>96,367</u>	<u>170,673</u>
Unassigned (Deficit)	<u>10,178,815</u>	<u>0</u>	<u>(23,847)</u>	<u>10,154,968</u>
Total Fund Balances	<u><u>\$10,472,285</u></u>	<u><u>\$39,977</u></u>	<u><u>\$3,953,786</u></u>	<u><u>\$14,466,048</u></u>

Note 4- Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

City of Bedford, Ohio
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For the Year Ended December 31, 2012

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

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

Net Change in Fund Balances		
General and Public Safety Special Revenue Funds		
	General	Public Safety
GAAP Basis	\$173,547	(\$189,143)
Net Adjustment for Revenue Accruals	1,393,150	0
Beginning Fair Value of Adjustments for Investments	4,273	0
Ending Fair Value of Adjustments for Investments	(1,088)	0
Beginning Unrecorded Cash	120,356	0
Ending Unrecorded Cash	(100,039)	0
Net Adjustment for Expenditure Accruals	(1,070,889)	21,588
Advances In	80,000	0
Advances Out	(238,909)	0
Excess of Revenues Over (Under) Expenditures		
Enterprise Zone	69,947	0
Cemetery	34,919	0
Recreation	89,813	0
Encumbrances	(98,680)	(13,216)
Budget Basis	\$456,400	(\$180,771)

Note 5 - Deposits and Investments

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

City of Bedford, Ohio
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For the Year Ended December 31, 2012

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 (STAR Ohio); 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.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, \$1,955,483 of the City's bank balance of \$5,034,358 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, 2012, the City had the following investments:

	Fair Value	Maturity	Moody Rating	Percent of Total Investments
Repurchase Agreements	\$8,677,052	Less than 30 days	AAAm	60.74%
Municipal Bonds	1,747,646	Less than three years	AAA	12.23%
Federal National Mortgage Association Notes	3,050,012	Less than five years	AAA	21.35%
Federal Home Loan Bank Bonds	500,000	Less than five years	AAA	3.50%
STAR Ohio	312,025	55.4 days	AAAm	N/A
Total Investments	<u>\$14,286,735</u>			

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

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

City of Bedford, Ohio
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For the Year Ended December 31, 2012

Credit Risk All investments of the City carry a rating of AAA and AAAM 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.

Note 6 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2012.

Litigation

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

Investigation

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

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

Note 7 - Receivables

Receivables at December 31, 2012, 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 \$308,527 in the special assessment bond retirement fund. At December 31, 2012, the amount of delinquent special assessments was \$422,903.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The loans receivable at December 31, 2012, are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program. The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. The loans are expected to be collected in full during the next year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

2012 real property taxes were levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012, was \$21.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2012 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$150,782,510
Commercial Industrial/Public Utility	110,000,870
Tangible Personal Property	
Public Utility	7,358,540
Total	<u><u>\$268,141,920</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	<u>Amount</u>
Homestead and Rollback	\$279,897
Grants	279,214
Gasoline Tax	208,054
Local Government	142,226
Estate Tax	118,195
Court Costs	56,131
Motor Vehicle License Tax	49,570
Permissive Tax	41,688
FEMA Reimbursement	20,480
Cuyahoga County	11,911
Hospitalization Reimbursement	1,693
Tangible Personal Property Loss Reimbursements	948
Total Governmental Activities	<u><u>\$1,210,007</u></u>

Note 8 – Compensated Absences

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

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

Note 9 – Assets Held for Resale

Assets held for resale represents homes purchased and repaired to be resold under the Community Development in-fill housing project. During 2012, the City sold one home. As of December 31, 2012, the City has ten homes remaining which are being held for resale.

Note 10 – Accountability

At December 31, 2012, the HUD Rehabilitation Program special revenue fund had a deficit fund balance of \$23,847. The special revenue fund deficit is the result of the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

At December 31, 2012, the health internal service fund had a deficit net position of \$39,083. Management is currently analyzing the health internal service fund's operations to determine appropriate steps to alleviate the deficit.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 11 - Interfund Transfers and Balances

Interfund Transfers

Transfer To	Transfer From		Total
	General	Other Governmental Funds	
Major Funds:			
Public Safety	\$3,200,000	\$0	\$3,200,000
Other Governmental Funds:			
Community Development Block Grant	75,000	0	75,000
Street Construction, Maintenance and Repair	0	0	0
Grants	15,000	0	15,000
General Obligation Bond Retirement	208,865	141,530	350,395
Municipal Court Computer	0	230,372	230,372
Total Other Governmental Funds	298,865	371,902	670,767
Internal Service Fund:			
Health Insurance	40,000	0	40,000
Total	\$3,538,865	\$371,902	\$3,910,767

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. The transfer from the municipal court special programs special revenue fund to the general obligation bond retirement fund was to pay the court's portion of the principal and interest due on the bonds issued to build the Court. The municipal court improvement capital projects fund transfer to the municipal court computer capital projects fund was to close out the remaining fund balance of the fund.

Interfund Balances

The interfund balance at December 31, 2012, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$632,409. These loans were made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Note 12 – Capital Assets

A summary of changes in capital assets during 2012 follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,908,079	\$0	\$0	\$2,908,079
Construction in Progress	114,499	114,990	(89,402)	140,087
<i>Total Capital Assets Not Being Depreciated</i>	\$3,022,578	\$114,990	(\$89,402)	\$3,048,166

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Governmental Activities (continued)				
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	\$17,608,789	\$13,299	\$0	\$17,622,088
Machinery and Equipment	4,189,232	266,949	(136,720)	4,319,461
Furniture and Fixtures	967,046	0	(25,638)	941,408
Vehicles	4,420,113	210,878	(196,837)	4,434,154
Infrastructure:				
Roads	40,365,089	0	0	40,365,089
Traffic Signals	1,588,375	0	0	1,588,375
Rubberized Railroad Crossings	28,478	0	0	28,478
Railroad Closures/Barriers	0	123,265	0	123,265
Storm Sewers	3,483,789	24,723	0	3,508,512
<i>Total Capital Assets Being Depreciated</i>	<u>72,650,911</u>	<u>639,114</u>	<u>(359,195)</u>	<u>72,930,830</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(3,678,008)	(383,281)	0	(4,061,289)
Machinery and Equipment	(3,121,283)	(225,251)	123,489	(3,223,045)
Furniture and Fixtures	(834,097)	(19,637)	25,352	(828,382)
Vehicles	(3,347,087)	(235,526)	196,425	(3,386,188)
Infrastructure:				
Roads	(29,984,347)	(1,566,684)	0	(31,551,031)
Traffic Signals	(591,777)	(63,535)	0	(655,312)
Rubberized Railroad Crossings	(13,884)	(1,424)	0	(15,308)
Railroad Closures/Barriers	0	(1,644)	0	(1,644)
Storm Sewers	(902,057)	(70,171)	0	(972,228)
<i>Total Accumulated Depreciation</i>	<u>(42,472,540)</u>	<u>(2,567,153) *</u>	<u>345,266</u>	<u>(44,694,427)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>30,178,371</u>	<u>(1,928,039)</u>	<u>(13,929)</u>	<u>28,236,403</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$33,200,949</u>	<u>(\$1,813,049)</u>	<u>(\$103,331)</u>	<u>\$31,284,569</u>
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$28,620	\$0	\$0	\$28,620
Construction in Progress	689,242	556,081	(587,417)	657,906
<i>Total Capital Assets Not Being Depreciated</i>	<u>717,862</u>	<u>556,081</u>	<u>(587,417)</u>	<u>686,526</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	10,123,788	479,572	0	10,603,360
Machinery and Equipment	6,438,396	11,829	(3,692)	6,446,533
Furniture and Fixtures	93,772	0	0	93,772
Vehicles	561,010	17,982	0	578,992
Infrastructure:				
Water Lines	5,311,193	1,059,660	0	6,370,853
Sanitary Sewer Lines	3,153,541	31,296	0	3,184,837
<i>Total Capital Assets Being Depreciated</i>	<u>\$25,681,700</u>	<u>\$1,600,339</u>	<u>(\$3,692)</u>	<u>\$27,278,347</u>

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Business-Type Activities (continued)				
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(\$3,563,525)	(\$209,762)	\$0	(\$3,773,287)
Machinery and Equipment	(6,223,071)	(32,128)	3,692	(6,251,507)
Furniture and Fixtures	(93,772)	0	0	(93,772)
Vehicles	(274,775)	(44,733)	0	(319,508)
Infrastructure:				
Water Lines	(977,340)	(81,498)	0	(1,058,838)
Sanitary Sewer Lines	(823,817)	(38,955)	0	(862,772)
<i>Total Accumulated Depreciation</i>	<u>(11,956,300)</u>	<u>(407,076)</u>	<u>3,692</u>	<u>(12,359,684)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>13,725,400</u>	<u>1,193,263</u>	<u>0</u>	<u>14,918,663</u>
<i>Total Business-Type Capital Assets, Net</i>	<u><u>\$14,443,262</u></u>	<u><u>\$1,749,344</u></u>	<u><u>(\$587,417)</u></u>	<u><u>\$15,605,189</u></u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$262,581
Security of Persons and Property	
Police	143,188
Fire	202,484
Public Health and Welfare	721
Leisure Time Activities	109,087
Community Development	9,525
Transportation	<u>1,839,567</u>
Total	<u><u>\$2,567,153</u></u>

Note 13 - Capital Leases

In 2012, the City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2012 follows:

	<u>Amounts</u>
Asset:	
Equipment	\$80,385
Less: Accumulated Depreciation	<u>(32,676)</u>
Current Book Value	<u><u>\$47,709</u></u>

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

City of Bedford, Ohio
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For the Year Ended December 31, 2012

Year Ending December 31,	
2013	\$10,971
2014	8,376
2015	8,376
2016	8,376
2017	8,376
Present Value of Minimum Lease	\$44,475

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

Note 14 - Long-term Obligations

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

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
<i>General Obligation Bonds</i>				
Various Purpose Refunding	2006	2027	4.00-4.125 %	\$8,929,000
City Hall (Refunded \$3,035,000)	2002	2016	3.0-5.0	5,200,000
City Hall Court (Refunded \$905,000)	2002	2019	1.7-5.0	2,000,000
Capital Improvements	2010	2031	2.3-5.65	2,145,000
<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
Broadway Culvert	2011	2031	0.00	N/A
<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
Capital Improvements	2010	2036	2.3-5.65	1,625,000
<i>Wastewater</i>				
Sewer Improvement Refunding Bonds	2006	2022	4.00-4.125	315,000
Sewer Improvement (Refunded \$290,000)	2002	2016	3.00-5.00	725,000
Capital Improvements	2010	2036	2.3-5.65	1,320,000
<i>Ohio Water Development Loans</i>				
<i>Wastewater</i>				
Sewer System	1994	2013	4.80	11,002,916
Rapid Sandfilter	2002	2023	3.90	2,427,022

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Changes in long-term obligations during the year ended December 31, 2012, consisted of the following:

	Balance 12/31/11	Increase	Decrease	Balance 12/31/12	Amounts Due in One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
<i>Various Purpose Refunding Bonds</i>					
Serial	\$7,989,600	\$0	\$367,800	\$7,621,800	\$382,800
Premium	45,324	0	2,862	42,462	0
Discount	(40,999)	0	(2,589)	(38,410)	0
Total Various Purpose Refunding Bonds	7,993,925	0	368,073	7,625,852	382,800
City Hall	945,000	0	175,000	770,000	180,000
City Hall Court	625,000	0	65,000	560,000	70,000
<i>Capital Improvement Bonds</i>					
Serial	1,295,000	0	135,000	1,160,000	135,000
Build America Bonds - Term	850,000	0	0	850,000	0
Premium	20,549	0	2,371	18,178	0
Total Capital Improvement Bonds	2,165,549	0	137,371	2,028,178	135,000
Total General Obligation Bonds	11,729,474	0	745,444	10,984,030	767,800
<i>Special Assessment Bonds</i>					
Northfield and Rockside Resurfacing	20,000	0	20,000	0	0
Northfield and Rockside Resurfacing #2	220,000	0	50,000	170,000	55,000
Total Special Assessment Bonds	240,000	0	70,000	170,000	55,000
<i>Ohio Public Works Commission Loans</i>					
Willard Avenue	55,650	0	22,260	33,390	22,260
Wandle Avenue	233,360	0	25,929	207,431	25,929
Broadway Culvert	518,349	0	25,917	492,432	25,917
Total Ohio Public Works Commission Loans	807,359	0	74,106	733,253	74,106
<i>Other Long-Term Obligations</i>					
Police Pension	181,428	0	4,634	176,794	4,833
Capital Leases Payable	12,915	39,540	7,980	44,475	10,971
Compensated Absences Payable	1,336,297	536,978	503,003	1,370,272	520,331
Total Other Long-Term Obligations	1,530,640	576,518	515,617	1,591,541	536,135
Total Governmental Activities	\$14,307,473	\$576,518	\$1,405,167	\$13,478,824	\$1,433,041

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	Balance 12/31/11	Increase	Decrease	Balance 12/31/12	Amounts Due in One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
Water Refunding #1	\$320,000	\$0	\$50,000	\$270,000	\$50,000
Water Refunding #2	140,000	0	140,000	0	0
Washington Street Water	530,400	0	27,200	503,200	27,200
Unamortized Premium	3,351	0	212	3,139	0
Unamortized Discount	(3,021)	0	(191)	(2,830)	0
Total Washington Street Water	530,730	0	27,221	503,509	27,200
<i>Capital Improvement Bonds</i>					
Serial	455,000	0	45,000	410,000	45,000
Build America Bonds - Term	1,170,000	0	0	1,170,000	0
Unamortized Premium	7,165	0	827	6,338	0
Total Capital Improvement - Water	1,632,165	0	45,827	1,586,338	45,000
Sewer Improvement Refunding	305,000	0	5,000	300,000	0
Unamortized Premium	908	0	58	850	0
Unamortized Discount	(603)	0	(38)	(565)	0
Total Sewer Improvement Refunding	305,305	0	5,020	300,285	0
Sewer Improvement	185,000	0	35,000	150,000	35,000
<i>Capital Improvement Bonds</i>					
Serial	375,000	0	40,000	335,000	40,000
Build America Bonds - Term	945,000	0	0	945,000	0
Unamortized Premium	5,970	0	689	5,281	0
Total Capital Improvement - Sewer	1,325,970	0	40,689	1,285,281	40,000
<i>Total General Obligation Bonds</i>	4,439,170	0	343,757	4,095,413	197,200
<i>OWDA Loans</i>					
Sewer System	1,625,375	0	793,319	832,056	832,056
Rapid Sandfilter	1,672,854	0	111,728	1,561,126	116,128
<i>Total OWDA Loans</i>	3,298,229	0	905,047	2,393,182	948,184
<i>OPWC Loans</i>					
Northfield Road Water Line	350,000	0	20,000	330,000	20,000
Grand, Franklin Water Line	0	454,000	11,350	442,650	22,700
Flow Control	12,492	0	4,163	8,329	4,163
Oxidation Tower Improvements	555,044	0	41,114	513,930	41,114
Sludge Thickener	175,294	0	10,017	165,277	10,017
<i>Total OPWC Loans</i>	1,092,830	454,000	86,644	1,460,186	97,994
<i>Other Long-Term Liabilities</i>					
Compensated Absences	133,874	24,692	28,946	129,620	52,550
<i>Total Business-Type Activities</i>	\$8,964,103	\$478,692	\$1,364,394	\$8,078,401	\$1,295,928

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

In 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, 2012, \$270,000 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, 2012, \$6,570,000 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 through 2029. Annual principal and interest payments on the debt issues are expected to require .92 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,484,267. Principal and interest paid for the current year and total net revenues available were \$1,095,583 and \$1,012,235, respectively.

The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the water fund. The debt is payable solely from net revenues through 2029. Annual principal payments on the debt issues are expected to require 54.13 percent of net revenues. The total principal remaining to be paid on the debt is \$772,650. Principal paid for the current year and total net revenues available were \$31,350 and \$1,697,111, respectively.

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

The City's overall legal debt margin was \$23,760,831 at December 31, 2012. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2012, are as follows:

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Police Pension		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$632,800	\$364,780	\$55,000	\$10,370	\$4,833	\$7,463	\$74,106
2014	666,100	338,840	55,000	7,015	5,041	7,255	62,977
2015	684,400	311,286	60,000	3,660	5,257	7,039	51,846
2016	709,400	282,673	0	0	5,483	6,813	51,847
2017	747,700	252,667	0	0	5,719	6,578	51,846
2018-2022	2,939,800	833,337	0	0	32,497	28,984	207,374
2023-2027	2,571,600	313,183	0	0	40,101	21,380	129,587
2028-2032	0	0	0	0	49,487	12,025	103,670
2033-2035	0	0	0	0	28,376	1,811	0
Total	\$8,951,800	\$2,696,766	\$170,000	\$21,045	\$176,794	\$99,348	\$733,253

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Build America Bonds (BABs)				
Serial and Term				
Year	Principal	Interest	Subsidy	Total
2013	\$135,000	\$67,552	(\$14,591)	\$187,961
2014	135,000	64,853	(14,592)	185,261
2015	140,000	62,152	(14,591)	187,561
2016	145,000	59,353	(14,592)	189,761
2017	150,000	56,452	(14,591)	191,861
2018-2022	735,000	224,513	(70,298)	889,215
2023-2027	530,000	76,967	(27,988)	578,979
2028-2031	40,000	5,530	(1,936)	43,594
Total	\$2,010,000	\$617,372	(\$173,179)	\$2,454,193

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loan
2013	\$112,200	\$50,633	\$948,184	\$89,639	\$97,994
2014	113,900	45,978	120,701	55,189	97,998
2015	125,600	39,981	125,455	50,436	93,830
2016	130,600	35,765	130,395	45,495	93,832
2017	142,300	30,026	135,530	40,361	93,830
2018-2022	425,200	87,248	762,038	117,415	469,156
2023-2027	173,400	17,680	170,879	5,014	366,371
2028-2029	0	0	0	0	147,175
Total	\$1,223,200	\$307,311	\$2,393,182	\$403,549	\$1,460,186

Capital Improvement Bonds - Build America Bonds (BABs)

Serial and Term				
Year	Principal	Interest	Subsidy	Total
2013	\$85,000	\$129,982	(\$39,675)	\$175,307
2014	90,000	128,283	(39,675)	178,608
2015	90,000	126,482	(39,675)	176,807
2016	90,000	124,683	(39,675)	175,008
2017	90,000	122,882	(39,675)	173,207
2018-2022	505,000	577,538	(196,714)	885,824
2023-2027	580,000	464,060	(162,421)	881,639
2028-2032	685,000	299,545	(104,841)	879,704
2033-2036	645,000	92,660	(32,431)	705,229
Total	\$2,860,000	\$2,066,115	(\$694,782)	\$4,231,333

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 15 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement increased to 12 percent and 12.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The City's 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.00 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011 and 2010 were \$644,187, \$645,200 and \$570,404, respectively. For 2012, 84.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions to the Member-Directed Plan for 2012 were \$6,182 made by the City and \$4,415 made by plan members.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 – The Ohio Revised Code requires plan members 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 OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$314,494 and \$374,149 for the year ended December 31, 2012, \$324,035 and \$352,786 for the year ended December 31, 2011, and \$328,694 and \$355,107 for the year ended December 31, 2010, respectively. For 2012, 68.98 percent for police and 67.42 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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, 2012, the unfunded liability of the City was \$176,794 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 16 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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, 2012

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011 and 2010 were \$257,675, \$258,080 and \$326,162, respectively. For 2012, 84.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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

Ohio Police and Fire Pension Fund

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

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

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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, 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 Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$166,497 and \$146,406 for the year ended December 31, 2012, \$171,548 and \$138,047 for the year ended December 31, 2011, and \$174,015 and \$138,955 for the year ended December 31, 2010. For 2012, 68.98 percent has been contributed for police and 67.42 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Note 17 – Significant Commitments

Encumbrances

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

<i>Governmental Funds:</i>		<i>Business-Type Funds:</i>	
General fund	\$98,680	Water	\$68,251
Public Safety fund	13,216	Sewer	166,681
Nonmajor funds	8,504	Total Business-Type	<u>234,932</u>
Total Governmental	<u>\$120,400</u>		

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Note 18 - Risk Management

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

Type of Coverage	Coverage	Deductible
Automobile Liability	\$5,000,000	\$0
General Liability	5,000,000 per occurrence	1,000
Property Liability	47,315,224	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 aggregate	1,000
Uninsured Motorists	25,000	0
Stop Gap	1,000,000 aggregate	1,000
Municipal Attorney and Law		
Director Liability	1,000,000	2,500
Fire Damage Liability	100,000	1,000

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

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 \$342,245 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2012, 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 2011 and 2012 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$141,602	\$2,090,281	\$2,051,174	\$180,709
2012	180,709	2,860,158	2,698,622	342,245

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Note 19 – Changes in Accounting Principles

For 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53," No. 65, "Items Previously Reported as Assets and Liabilities" and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62".

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the City's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City's financial statements.

Note 20 – Subsequent Event

On May 15, 2013, the City issued \$7,640,000 in general obligation various purpose improvement and refunding bonds at varying interest rates for improvement to the streets, water line replacement and wastewater improvements along with refunding previous debt issuances to take advantage of lower interest rates.

COMBINING

SECTION





City of BEDFORD, Ohio

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cemetery Donations Fund - To account for and report the restricted donations used for maintaining gravesites.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,701,584	\$182,442	\$558,619	\$3,442,645
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	5,139	0	0	5,139
Property Taxes Receivable	0	233,211	0	233,211
Intergovernmental Receivable	573,526	12,898	5,000	591,424
Loans Receivable	0	0	25,000	25,000
Special Assessments Receivable	291,611	308,527	74,615	674,753
Assets Held for Resale	1,101,278	0	0	1,101,278
<i>Total Assets</i>	<u>\$4,673,138</u>	<u>\$737,078</u>	<u>\$663,234</u>	<u>\$6,073,450</u>
Liabilities				
Accounts Payable	\$70,643	\$0	\$0	\$70,643
Accrued Wages	6,972	0	0	6,972
Intergovernmental Payable	5,578	0	0	5,578
Interfund Payable	632,409	0	0	632,409
Retainage Payable	5,139	0	0	5,139
Unearned Revenue	0	0	266,000	266,000
<i>Total Liabilities</i>	<u>720,741</u>	<u>0</u>	<u>266,000</u>	<u>986,741</u>
Deferred Inflows of Resources				
Property Taxes	0	217,089	0	217,089
Unavailable Revenue	503,672	337,547	74,615	915,834
<i>Total Deferred Inflows of Resources</i>	<u>503,672</u>	<u>554,636</u>	<u>74,615</u>	<u>1,132,923</u>
Fund Balances				
Restricted	3,472,572	182,442	147,188	3,802,202
Committed	0	0	79,064	79,064
Assigned	0	0	96,367	96,367
Unassigned (Deficit)	(23,847)	0	0	(23,847)
<i>Total Fund Balances</i>	<u>3,448,725</u>	<u>182,442</u>	<u>322,619</u>	<u>3,953,786</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,673,138</u>	<u>\$737,078</u>	<u>\$663,234</u>	<u>\$6,073,450</u>

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Property Taxes	\$0	\$234,006	\$0	\$234,006
Municipal Income Taxes	0	720,216	0	720,216
Charges for Services	480	0	0	480
Fines and Forfeitures	213,221	0	75,635	288,856
Intergovernmental	1,327,740	25,797	5,000	1,358,537
Special Assessments	319,766	89,053	0	408,819
Contributions and Donations	14,708	0	0	14,708
Interest	9,587	2,257	2,744	14,588
Other	92,757	14,592	14,000	121,349
<i>Total Revenues</i>	<u>1,978,259</u>	<u>1,085,921</u>	<u>97,379</u>	<u>3,161,559</u>
Expenditures				
Current:				
General Government	22,056	0	0	22,056
Security of Persons and Property:				
Police	573,768	0	0	573,768
Fire	13,260	0	0	13,260
Public Health and Welfare	5,678	0	0	5,678
Leisure Time Activities	15,216	0	0	15,216
Community Development	178,507	0	0	178,507
Basic Utility Services	317,189	0	0	317,189
Transportation	744,254	0	0	744,254
Capital Outlay	0	0	473,374	473,374
Debt Service:				
Principal Retirement	0	886,906	0	886,906
Interest and Fiscal Charges	0	474,362	0	474,362
<i>Total Expenditures</i>	<u>1,869,928</u>	<u>1,361,268</u>	<u>473,374</u>	<u>3,704,570</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>108,331</u>	<u>(275,347)</u>	<u>(375,995)</u>	<u>(543,011)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,877	0	0	5,877
Transfers In	90,000	350,395	230,372	670,767
Transfers Out	(141,530)	0	(230,372)	(371,902)
<i>Total Other Financing Sources (Uses)</i>	<u>(45,653)</u>	<u>350,395</u>	<u>0</u>	<u>304,742</u>
<i>Net Change in Fund Balances</i>	62,678	75,048	(375,995)	(238,269)
<i>Fund Balances Beginning of Year</i>	<u>3,386,047</u>	<u>107,394</u>	<u>698,614</u>	<u>4,192,055</u>
<i>Fund Balances End of Year</i>	<u>\$3,448,725</u>	<u>\$182,442</u>	<u>\$322,619</u>	<u>\$3,953,786</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Community Development Block Grant	State Highway	Indigent Drivers
Assets			
Equity in Pooled Cash and Cash Equivalents	\$48,223	\$130,391	\$207,242
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	3,464	0	0
Intergovernmental Receivable	197,435	19,284	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	690,144	0	0
<i>Total Assets</i>	<u>\$939,266</u>	<u>\$149,675</u>	<u>\$207,242</u>
Liabilities			
Accounts Payable	\$38,499	\$0	\$4,950
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	160,000	0	0
Retainage Payable	3,464	0	0
<i>Total Liabilities</i>	<u>201,963</u>	<u>0</u>	<u>4,950</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	13,714	0
Fund Balances			
Restricted	737,303	135,961	202,292
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>737,303</u>	<u>135,961</u>	<u>202,292</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$939,266</u>	<u>\$149,675</u>	<u>\$207,242</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>
\$277,150	\$2,222	\$284,266	\$615,129	\$3,730
0	0	0	0	0
54,489	0	0	238,340	0
0	0	291,611	0	0
0	0	0	0	0
<u>\$331,639</u>	<u>\$2,222</u>	<u>\$575,877</u>	<u>\$853,469</u>	<u>\$3,730</u>
\$0	\$0	\$25,741	\$1,453	\$0
0	0	0	6,972	0
0	0	0	5,578	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>25,741</u>	<u>14,003</u>	<u>0</u>
0	0	291,611	169,491	0
331,639	2,222	258,525	669,975	3,730
0	0	0	0	0
<u>331,639</u>	<u>2,222</u>	<u>258,525</u>	<u>669,975</u>	<u>3,730</u>
<u>\$331,639</u>	<u>\$2,222</u>	<u>\$575,877</u>	<u>\$853,469</u>	<u>\$3,730</u>

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2012

	Motor Vehicle License	Grants	Municipal Court Special Programs
Assets			
Equity in Pooled Cash and Cash Equivalents	\$101,847	\$72,545	\$830,873
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Intergovernmental Receivable	41,688	22,290	0
Special Assessments Receivable	0	0	0
Assets Held for Resale	0	0	0
<i>Total Assets</i>	<u>\$143,535</u>	<u>\$94,835</u>	<u>\$830,873</u>
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	0	0
Intergovernmental Payable	0	0	0
Interfund Payable	0	0	0
Retainage Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	28,856	0	0
Fund Balances			
Restricted	114,679	94,835	830,873
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>114,679</u>	<u>94,835</u>	<u>830,873</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$143,535</u>	<u>\$94,835</u>	<u>\$830,873</u>

HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Donations	Total Nonmajor Special Revenue Funds
\$37,428	\$47,246	\$43,292	\$2,701,584
1,675	0	0	5,139
0	0	0	573,526
0	0	0	291,611
411,134	0	0	1,101,278
<u>\$450,237</u>	<u>\$47,246</u>	<u>\$43,292</u>	<u>\$4,673,138</u>
\$0	\$0	\$0	\$70,643
0	0	0	6,972
0	0	0	5,578
472,409	0	0	632,409
1,675	0	0	5,139
<u>474,084</u>	<u>0</u>	<u>0</u>	<u>720,741</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>503,672</u>
0	47,246	43,292	3,472,572
(23,847)	0	0	(23,847)
<u>(23,847)</u>	<u>47,246</u>	<u>43,292</u>	<u>3,448,725</u>
<u>\$450,237</u>	<u>\$47,246</u>	<u>\$43,292</u>	<u>\$4,673,138</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, 2012

	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	212,341	39,296	88,825	322,698
Special Assessments	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	495	644	0
Other	0	0	0	92,707
<i>Total Revenues</i>	<u>212,341</u>	<u>39,791</u>	<u>89,469</u>	<u>415,405</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	493,283
Fire	0	0	0	0
Public Health and Welfare	0	0	5,678	0
Leisure Time Activities	0	0	0	0
Community Development	177,103	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	30,730	0	0
<i>Total Expenditures</i>	<u>177,103</u>	<u>30,730</u>	<u>5,678</u>	<u>493,283</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>35,238</u>	<u>9,061</u>	<u>83,791</u>	<u>(77,878)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	75,000	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	110,238	9,061	83,791	(77,878)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>627,065</u>	<u>126,900</u>	<u>118,501</u>	<u>409,517</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$737,303</u></u>	<u><u>\$135,961</u></u>	<u><u>\$202,292</u></u>	<u><u>\$331,639</u></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	\$480	\$0
0	0	0	161	0	0	194,703
815	0	486,146	0	83,726	93,893	0
0	319,766	0	0	0	0	0
0	0	0	0	0	14,708	0
0	1,299	2,915	21	440	0	3,409
0	0	0	0	0	0	0
<u>815</u>	<u>321,065</u>	<u>489,061</u>	<u>182</u>	<u>84,166</u>	<u>109,081</u>	<u>198,112</u>
0	0	0	0	0	15,540	0
0	0	0	2,706	0	77,779	0
0	0	0	0	0	13,260	0
0	0	0	0	0	0	0
0	0	0	0	0	15,216	0
0	0	0	0	0	0	0
0	317,189	0	0	0	0	0
0	0	561,242	0	148,203	4,079	0
<u>0</u>	<u>317,189</u>	<u>561,242</u>	<u>2,706</u>	<u>148,203</u>	<u>125,874</u>	<u>0</u>
<u>815</u>	<u>3,876</u>	<u>(72,181)</u>	<u>(2,524)</u>	<u>(64,037)</u>	<u>(16,793)</u>	<u>198,112</u>
0	0	5,877	0	0	0	0
0	0	0	0	0	15,000	0
0	0	0	0	0	0	(141,530)
<u>0</u>	<u>0</u>	<u>5,877</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>(141,530)</u>
815	3,876	(66,304)	(2,524)	(64,037)	(1,793)	56,582
<u>1,407</u>	<u>254,649</u>	<u>736,279</u>	<u>6,254</u>	<u>178,716</u>	<u>96,628</u>	<u>774,291</u>
<u>\$2,222</u>	<u>\$258,525</u>	<u>\$669,975</u>	<u>\$3,730</u>	<u>\$114,679</u>	<u>\$94,835</u>	<u>\$830,873</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, 2012

	HUD Rehabilitation Program	Indigent Interlock and Monitoring	Cemetery Donations	Total Nonmajor Special Revenue Funds
Revenues				
Charges for Services	\$0	\$0	\$0	\$480
Fines and Forfeitures	0	18,357	0	213,221
Intergovernmental	0	0	0	1,327,740
Special Assessments	0	0	0	319,766
Contributions and Donations	0	0	0	14,708
Interest	0	178	186	9,587
Other	0	0	50	92,757
<i>Total Revenues</i>	<u>0</u>	<u>18,535</u>	<u>236</u>	<u>1,978,259</u>
Expenditures				
Current:				
General Government	0	6,516	0	22,056
Security of Persons and Property:				
Police	0	0	0	573,768
Fire	0	0	0	13,260
Public Health and Welfare	0	0	0	5,678
Leisure Time Activities	0	0	0	15,216
Community Development	1,404	0	0	178,507
Basic Utility Services	0	0	0	317,189
Transportation	0	0	0	744,254
<i>Total Expenditures</i>	<u>1,404</u>	<u>6,516</u>	<u>0</u>	<u>1,869,928</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,404)</u>	<u>12,019</u>	<u>236</u>	<u>108,331</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	5,877
Transfers In	0	0	0	90,000
Transfers Out	0	0	0	(141,530)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,653)</u>
<i>Net Change in Fund Balances</i>	(1,404)	12,019	236	62,678
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(22,443)</u>	<u>35,227</u>	<u>43,056</u>	<u>3,386,047</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$23,847)</u>	<u>\$47,246</u>	<u>\$43,292</u>	<u>\$3,448,725</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$112,729	\$69,713	\$182,442
Property Taxes Receivable	233,211	0	233,211
Intergovernmental Receivable	12,898	0	12,898
Special Assessments Receivable	0	308,527	308,527
<i>Total Assets</i>	<u>\$358,838</u>	<u>\$378,240</u>	<u>\$737,078</u>
Liabilities			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources			
Property Taxes	217,089	0	217,089
Unavailable Revenue	29,020	308,527	337,547
<i>Total Deferred Inflows of Resources</i>	<u>246,109</u>	<u>308,527</u>	<u>554,636</u>
Fund Balances			
Restricted	<u>112,729</u>	<u>69,713</u>	<u>182,442</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$358,838</u>	<u>\$378,240</u>	<u>\$737,078</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, 2012

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$234,006	\$0	\$234,006
Municipal Income Taxes	720,216	0	720,216
Intergovernmental	25,797	0	25,797
Special Assessments	0	89,053	89,053
Interest	2,035	222	2,257
Other	14,592	0	14,592
<i>Total Revenues</i>	<u>996,646</u>	<u>89,275</u>	<u>1,085,921</u>
Expenditures			
Debt Service:			
Principal Retirement	816,906	70,000	886,906
Interest and Fiscal Charges	459,662	14,700	474,362
<i>Total Expenditures</i>	<u>1,276,568</u>	<u>84,700</u>	<u>1,361,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(279,922)	4,575	(275,347)
Other Financing Sources			
Transfers In	350,395	0	350,395
<i>Net Change in Fund Balances</i>	70,473	4,575	75,048
<i>Fund Balances Beginning of Year</i>	<u>42,256</u>	<u>65,138</u>	<u>107,394</u>
<i>Fund Balances End of Year</i>	<u>\$112,729</u>	<u>\$69,713</u>	<u>\$182,442</u>

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$147,188	\$411,431	\$558,619
Intergovernmental Receivable	0	5,000	5,000
Loans Receivable	0	25,000	25,000
Special Assessments Receivable	0	74,615	74,615
<i>Total Assets</i>	<u>\$147,188</u>	<u>\$516,046</u>	<u>\$663,234</u>
Liabilities			
Unearned Revenue	\$0	\$266,000	\$266,000
Deferred Inflows of Resources			
Unavailable Revenue	0	74,615	74,615
Fund Balances			
Restricted	147,188	0	147,188
Committed	0	79,064	79,064
Assigned	0	96,367	96,367
<i>Total Fund Balances</i>	<u>147,188</u>	<u>175,431</u>	<u>322,619</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$147,188</u>	<u>\$516,046</u>	<u>\$663,234</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, 2012

	Municipal Court Improvement	Municipal Court Computer	Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues				
Fines and Forfeitures	\$20,056	\$55,579	\$0	\$75,635
Intergovernmental	0	0	5,000	5,000
Interest	292	516	1,936	2,744
Other	0	0	14,000	14,000
<i>Total Revenues</i>	20,348	56,095	20,936	97,379
Expenditures				
Capital Outlay	31,707	139,279	302,388	473,374
<i>Excess of Revenues Under Expenditures</i>	(11,359)	(83,184)	(281,452)	(375,995)
Other Financing Sources (Uses)				
Transfers In	0	230,372	0	230,372
Transfers Out	(230,372)	0	0	(230,372)
<i>Total Other Financing Sources (Uses)</i>	(230,372)	230,372	0	0
<i>Net Change in Fund Balances</i>	(241,731)	147,188	(281,452)	(375,995)
<i>Fund Balances Beginning of Year</i>	241,731	0	456,883	698,614
<i>Fund Balances End of Year</i>	\$0	\$147,188	\$175,431	\$322,619

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, 2012

	Beginning Balance 12/31/11	Additions	Deductions	Ending Balance 12/31/12
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents In Segregated Accounts	\$203,330	\$6,285,897	\$6,301,832	\$187,395
Liabilities				
Deposits Held and Due to Others	\$203,330	\$6,285,897	\$6,301,832	\$187,395
<i>State Inspection Fee</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37	\$929	\$729	\$237
Liabilities				
Deposits Held and Due to Others	\$37	\$929	\$729	\$237
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37	\$929	\$729	\$237
Cash and Cash Equivalents In Segregated Accounts	203,330	6,285,897	6,301,832	187,395
Total Assets	\$203,367	\$6,286,826	\$6,302,561	\$187,632
Liabilities				
Deposits Held and Due to Others	\$203,367	\$6,286,826	\$6,302,561	\$187,632

**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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,028,402	\$2,028,402	\$1,966,997	(\$61,405)
Municipal Income Taxes	8,743,105	8,743,105	9,265,250	522,145
Charges for Services	598,675	598,675	644,548	45,873
Fees, Licenses and Permits	224,945	224,945	204,056	(20,889)
Fines and Forfeitures	1,612,575	1,612,575	1,679,291	66,716
Intergovernmental	1,313,172	1,314,716	1,387,511	72,795
Special Assessments	18,389	18,389	18,389	0
Interest	67,785	67,785	13,382	(54,403)
Rentals	16,980	16,980	242,940	225,960
Other	15,111	15,111	19,898	4,787
<i>Total Revenues</i>	14,639,139	14,640,683	15,442,262	801,579
Expenditures				
Current:				
General Government:				
Council and Clerk:				
Personal Services	257,899	286,767	281,072	5,695
Other	47,606	47,606	34,633	12,973
Total Council and Clerk	305,505	334,373	315,705	18,668
Finance Department:				
Personal Services	287,370	316,262	314,957	1,305
Capital Outlay	0	25,160	25,160	0
Other	333,980	333,980	298,770	35,210
Total Finance Department	621,350	675,402	638,887	36,515
Income Tax Department:				
Personal Services	225,985	237,643	237,284	359
Other	160,540	228,540	198,880	29,660
Total Income Tax Department	386,525	466,183	436,164	30,019
City Manager:				
Personal Services	310,260	321,340	314,072	7,268
Other	11,720	11,720	8,784	2,936
Total City Manager	\$321,980	\$333,060	\$322,856	\$10,204

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$131,120	\$140,337	\$140,247	\$90
Other	118,000	118,000	117,995	5
Total Law Department	249,120	258,337	258,242	95
Engineering:				
Personal Services	14,700	14,700	14,700	0
Other	29,500	29,500	29,474	26
Total Engineering	44,200	44,200	44,174	26
Municipal Court:				
Personal Services	1,809,395	1,885,172	1,844,609	40,563
Other	297,400	297,400	222,803	74,597
Total Municipal Court	2,106,795	2,182,572	2,067,412	115,160
Special Projects:				
Other	81,817	168,816	157,344	11,472
Civil Service Commission:				
Personal Services	3,540	3,540	1,806	1,734
Other	21,000	21,000	19,997	1,003
Total Civil Service Commission	24,540	24,540	21,803	2,737
Land and Building:				
Personal Services	201,560	233,336	174,445	58,891
Capital Outlay	0	20,213	20,213	0
Other	515,986	501,273	423,976	77,297
Total Land and Building	717,546	754,822	618,634	136,188
County Auditor Deductions:				
Other	124,600	144,600	139,495	5,105
Total General Government	\$4,983,978	\$5,386,905	\$5,020,716	\$366,189

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Police:				
Police Department:				
Personal Services	\$1,450,283	\$1,625,990	\$1,599,408	\$26,582
Capital Outlay	25,300	49,118	36,697	12,421
Other	292,035	349,545	314,163	35,382
Total Police	<u>1,767,618</u>	<u>2,024,653</u>	<u>1,950,268</u>	<u>74,385</u>
Fire:				
Fire Equipment:				
Personal Services	45,000	45,000	45,000	0
Capital Outlay	204,275	219,275	176,572	42,703
Other	6,000	6,000	1,823	4,177
Total Fire	<u>255,275</u>	<u>270,275</u>	<u>223,395</u>	<u>46,880</u>
Total Security of Persons and Property	<u>2,022,893</u>	<u>2,294,928</u>	<u>2,173,663</u>	<u>121,265</u>
Public Health and Welfare:				
Health Department:				
Other	50,204	50,204	50,204	0
Leisure Time Activities:				
Parks and Playground:				
Personal Services	13,075	19,075	17,298	1,777
Other	162,800	162,800	103,323	59,477
Total Parks and Playground	<u>175,875</u>	<u>181,875</u>	<u>120,621</u>	<u>61,254</u>
Community Development:				
Planning Commission Department:				
Personal Services	665	915	798	117
Other	1,775	1,775	1,775	0
Total Planning Commission Department	<u>\$2,440</u>	<u>\$2,690</u>	<u>\$2,573</u>	<u>\$117</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Zoning Appeals:				
Other	\$150	\$150	\$0	\$150
Building Department:				
Personal Services	450,375	468,673	361,686	106,987
Other	34,134	48,134	31,257	16,877
Total Building Department	484,509	516,807	392,943	123,864
Total Community Development	487,099	519,647	395,516	124,131
Basic Utility Services:				
Refuse Collection:				
Other	702,500	702,500	698,639	3,861
Transportation:				
Service Department:				
Personal Services	1,695,756	1,773,296	1,634,797	138,499
Other	42,400	45,400	28,951	16,449
Total Transportation	1,738,156	1,818,696	1,663,748	154,948
<i>Total Expenditures</i>	10,160,705	10,954,755	10,123,107	831,648
<i>Excess of Revenues Over Expenditures</i>	4,478,434	3,685,928	5,319,155	1,633,227
Other Financing Sources (Uses)				
Sale of Capital Assets	7,500	7,500	7,019	(481)
Advances In	300,000	80,000	80,000	0
Advances Out	0	(238,909)	(238,909)	0
Transfers Out	(4,630,865)	(4,910,865)	(4,710,865)	200,000
<i>Total Other Financing Sources (Uses)</i>	(4,323,365)	(5,062,274)	(4,862,755)	199,519
<i>Net Change in Fund Balance</i>	155,069	(1,376,346)	456,400	1,832,746
<i>Fund Balance Beginning of Year</i>	8,049,895	8,049,895	8,049,895	0
Prior Year Encumbrances Appropriated	80,132	80,132	80,132	0
<i>Fund Balance End of Year</i>	\$8,285,096	\$6,753,681	\$8,586,427	\$1,832,746

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,968,332	\$2,968,332	\$2,878,289	(\$90,043)
Fees, Licenses and Permits	85	85	46	(39)
Intergovernmental	329,814	329,814	328,678	(1,136)
Interest	4,000	4,000	2,857	(1,143)
Other	15	15	608	593
<i>Total Revenues</i>	<u>3,302,246</u>	<u>3,302,246</u>	<u>3,210,478</u>	<u>(91,768)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Police Pension:				
Personal Services	458,700	508,700	456,422	52,278
Safety Forces:				
Personal Services	2,509,035	2,550,980	2,480,885	70,095
Total Police	<u>2,967,735</u>	<u>3,059,680</u>	<u>2,937,307</u>	<u>122,373</u>
Fire:				
Fire Medic Levy:				
Personal Services	2,769,754	3,013,584	2,979,712	33,872
Capital Outlay	0	3,825	3,825	0
Other	182,939	179,114	169,849	9,265
Total Fire Medic Levy	<u>2,952,693</u>	<u>3,196,523</u>	<u>3,153,386</u>	<u>43,137</u>
Fire Pension:				
Personal Services	512,020	525,594	520,556	5,038
Total Fire	<u>3,464,713</u>	<u>3,722,117</u>	<u>3,673,942</u>	<u>48,175</u>
<i>Total Expenditures</i>	<u>6,432,448</u>	<u>6,781,797</u>	<u>6,611,249</u>	<u>170,548</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,130,202)</u>	<u>(3,479,551)</u>	<u>(3,400,771)</u>	<u>78,780</u>
Other Financing Sources				
Sale of Capital Assets	0	0	20,000	20,000
Transfers In	3,075,000	3,240,000	3,200,000	(40,000)
<i>Total Other Financing Sources</i>	<u>3,075,000</u>	<u>3,240,000</u>	<u>3,220,000</u>	<u>(20,000)</u>
<i>Net Change in Fund Balance</i>	(55,202)	(239,551)	(180,771)	58,780
<i>Fund Balance Beginning of Year</i>	756,712	756,712	756,712	0
Prior Year Encumbrances Appropriated	21,309	21,309	21,309	0
<i>Fund Balance End of Year</i>	<u>\$722,819</u>	<u>\$538,470</u>	<u>\$597,250</u>	<u>\$58,780</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$4,604,360	\$4,604,360	\$4,667,623	\$63,263
Intergovernmental	240,000	240,000	240,000	0
Other	10,000	10,000	33,029	23,029
Interest	42,723	42,723	37,622	(5,101)
OPWC Loans Issued	454,000	454,000	454,000	0
Sale of Capital Assets	15,000	15,000	0	(15,000)
<i>Total Revenues</i>	<u>5,366,083</u>	<u>5,366,083</u>	<u>5,432,274</u>	<u>66,191</u>
Expenses				
Personal Services	599,685	627,119	621,525	5,594
Contractual Services	3,370,105	3,366,805	2,539,330	827,475
Materials and Supplies	121,973	127,560	119,595	7,965
Capital Outlay	1,045,125	1,310,419	1,121,846	188,573
Other	3,000	8,500	8,059	441
Debt Service:				
Principal Retirement	282,200	293,550	293,550	0
Interest and Fiscal Charges	113,286	113,286	113,286	0
<i>Total Expenses</i>	<u>5,535,374</u>	<u>5,847,239</u>	<u>4,817,191</u>	<u>1,030,048</u>
<i>Net Change in Fund Equity</i>	(169,291)	(481,156)	615,083	1,096,239
<i>Fund Equity Beginning of Year</i>	2,082,303	2,082,303	2,082,303	0
Prior Year Encumbrances Appropriated	<u>1,032,023</u>	<u>1,032,023</u>	<u>1,032,023</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$2,945,035</u>	<u>\$2,633,170</u>	<u>\$3,729,409</u>	<u>\$1,096,239</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,435,725	\$2,435,725	\$2,357,365	(\$78,360)
Municipal Income Taxes	291,440	291,440	309,255	17,815
Other	1,000	1,000	0	(1,000)
Interest	27,732	27,732	24,753	(2,979)
<i>Total Revenues</i>	<u>2,755,897</u>	<u>2,755,897</u>	<u>2,691,373</u>	<u>(64,524)</u>
Expenses				
Personal Services	1,075,880	1,115,719	1,066,960	48,759
Contractual Services	102,925	113,650	88,478	25,172
Materials and Supplies	365,700	343,192	288,297	54,895
Capital Outlay	724,954	972,087	679,711	292,376
Other	4,218	4,218	3,272	946
Debt Service:				
Principal Retirement	1,040,343	1,040,343	1,040,341	2
Interest and Fiscal Charges	212,066	212,066	212,066	0
<i>Total Expenses</i>	<u>3,526,086</u>	<u>3,801,275</u>	<u>3,379,125</u>	<u>422,150</u>
<i>Net Change in Fund Equity</i>	(770,189)	(1,045,378)	(687,752)	357,626
<i>Fund Equity Beginning of Year</i>	1,392,407	1,392,407	1,392,407	0
Prior Year Encumbrances Appropriated	630,697	630,697	630,697	0
<i>Fund Equity End of Year</i>	<u>\$1,252,915</u>	<u>\$977,726</u>	<u>\$1,335,352</u>	<u>\$357,626</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$485,434	\$485,434	\$62,098	(\$423,336)
Expenditures				
Current:				
Community Development:				
CDBG Department:				
Capital Outlay	538,588	538,588	236,947	301,641
Other	25,417	25,417	25,414	3
<i>Total Expenditures</i>	<u>564,005</u>	<u>564,005</u>	<u>262,361</u>	<u>301,644</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(78,571)</u>	<u>(78,571)</u>	<u>(200,263)</u>	<u>(121,692)</u>
Other Financing Sources (Uses)				
Advances In	160,000	160,000	160,000	0
Advances Out	(80,000)	(80,000)	(80,000)	0
Transfers In	75,000	75,000	75,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	76,429	76,429	(45,263)	(121,692)
<i>Fund Balance Beginning of Year</i>	25,493	25,493	25,493	0
Prior Year Encumbrances Appropriated	64,693	64,693	64,693	0
<i>Fund Balance End of Year</i>	<u>\$166,615</u>	<u>\$166,615</u>	<u>\$44,923</u>	<u>(\$121,692)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$41,500	\$41,500	\$39,456	(\$2,044)
Interest	1,000	1,000	495	(505)
<i>Total Revenues</i>	42,500	42,500	39,951	(2,549)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	42,500	42,500	42,500	0
<i>Net Change in Fund Balance</i>	0	0	(2,549)	(2,549)
<i>Fund Balance Beginning of Year</i>	132,940	132,940	132,940	0
<i>Fund Balance End of Year</i>	<u>\$132,940</u>	<u>\$132,940</u>	<u>\$130,391</u>	<u>(\$2,549)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$68,847	\$38,847
Interest	1,000	1,000	644	(356)
<i>Total Revenues</i>	31,000	31,000	69,491	38,491
Expenditures				
Current:				
Public Health and Welfare:				
Indigent Drivers:				
Other	31,000	31,000	4,893	26,107
<i>Net Change in Fund Balance</i>	0	0	64,598	64,598
<i>Fund Balance Beginning of Year</i>	117,001	117,001	117,001	0
<i>Fund Balance End of Year</i>	<u>\$117,001</u>	<u>\$117,001</u>	<u>\$181,599</u>	<u>\$64,598</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SEAL Narcotics Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$350,834	\$350,834	\$296,202	(\$54,632)
Other	29,388	29,388	92,707	63,319
<i>Total Revenues</i>	<u>380,222</u>	<u>380,222</u>	<u>388,909</u>	<u>8,687</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
SEAL Narcotics:				
Personal Services	257,210	257,210	245,366	11,844
Capital Outlay	471,166	471,166	218,984	252,182
Other	33,370	33,370	28,933	4,437
<i>Total Expenditures</i>	<u>761,746</u>	<u>761,746</u>	<u>493,283</u>	<u>268,463</u>
<i>Net Change in Fund Balance</i>	(381,524)	(381,524)	(104,374)	277,150
<i>Fund Balance Beginning of Year</i>	379,618	379,618	379,618	0
Prior Year Encumbrances Appropriated	<u>1,906</u>	<u>1,906</u>	<u>1,906</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$277,150</u>	<u>\$277,150</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$0	\$650	\$850	\$200
Interest	<u>0</u>	<u>0</u>	<u>8</u>	<u>8</u>
<i>Total Revenues</i>	0	650	858	208
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Enforcement and Education:				
Personal Services	<u>0</u>	<u>1,289</u>	<u>0</u>	<u>1,289</u>
<i>Net Change in Fund Balance</i>	0	(639)	858	1,497
<i>Fund Balance Beginning of Year</i>	<u>1,289</u>	<u>1,289</u>	<u>1,289</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,289</u></u>	<u><u>\$650</u></u>	<u><u>\$2,147</u></u>	<u><u>\$1,497</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$330,000	\$330,000	\$319,766	(\$10,234)
Interest	4,500	4,500	1,299	(3,201)
<i>Total Revenues</i>	334,500	334,500	321,065	(13,435)
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	335,000	335,000	316,930	18,070
<i>Net Change in Fund Balance</i>	(500)	(500)	4,135	4,635
<i>Fund Balance Beginning of Year</i>	280,131	280,131	280,131	0
<i>Fund Balance End of Year</i>	<u>\$279,631</u>	<u>\$279,631</u>	<u>\$284,266</u>	<u>\$4,635</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$505,000	\$505,000	\$487,968	(\$17,032)
Interest	2,000	2,000	2,915	915
<i>Total Revenues</i>	<u>507,000</u>	<u>507,000</u>	<u>490,883</u>	<u>(16,117)</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	224,395	232,237	203,769	28,468
Capital Outlay	21,000	37,875	37,696	179
Other	479,875	499,675	326,936	172,739
<i>Total Expenditures</i>	<u>725,270</u>	<u>769,787</u>	<u>568,401</u>	<u>201,386</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(218,270)</u>	<u>(262,787)</u>	<u>(77,518)</u>	<u>185,269</u>
Other Financing Sources				
Sale of Capital Assets	2,500	2,500	5,877	3,377
Transfers In	100,000	100,000	0	(100,000)
<i>Total Other Financing Sources</i>	<u>102,500</u>	<u>102,500</u>	<u>5,877</u>	<u>(96,623)</u>
<i>Net Change in Fund Balance</i>	(115,770)	(160,287)	(71,641)	88,646
<i>Fund Balance Beginning of Year</i>	682,756	682,756	682,756	0
Prior Year Encumbrances Appropriated	2,874	2,874	2,874	0
<i>Fund Balance End of Year</i>	<u>\$569,860</u>	<u>\$525,343</u>	<u>\$613,989</u>	<u>\$88,646</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$0	\$0	\$161	\$161
Interest	0	0	21	21
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>182</u>	<u>182</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	0	2,000	0	2,000
Other	0	4,254	2,706	1,548
<i>Total Expenditures</i>	<u>0</u>	<u>6,254</u>	<u>2,706</u>	<u>3,548</u>
<i>Net Change in Fund Balance</i>	0	(6,254)	(2,524)	3,730
<i>Fund Balance Beginning of Year</i>	<u>6,254</u>	<u>6,254</u>	<u>6,254</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,254</u></u>	<u><u>\$0</u></u>	<u><u>\$3,730</u></u>	<u><u>\$3,730</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$86,000	\$86,000	\$83,478	(\$2,522)
Interest	1,500	1,500	440	(1,060)
<i>Total Revenues</i>	87,500	87,500	83,918	(3,582)
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Other	88,000	148,205	148,203	2
<i>Net Change in Fund Balance</i>	(500)	(60,705)	(64,285)	(3,580)
<i>Fund Balance Beginning of Year</i>	166,132	166,132	166,132	0
<i>Fund Balance End of Year</i>	<u>\$165,632</u>	<u>\$105,427</u>	<u>\$101,847</u>	<u>(\$3,580)</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$480	\$480	\$480	\$0
Intergovernmental	150,386	150,386	77,811	(72,575)
Contributions and Donations	14,000	14,000	14,708	708
<i>Total Revenues</i>	<u>164,866</u>	<u>164,866</u>	<u>92,999</u>	<u>(71,867)</u>
Expenditures				
Current:				
General Government:				
NOPEC Energy Grant				
Capital Outlay	105,826	105,826	17,340	88,486
Security of Persons and Property:				
Police:				
Homeland Security Police Department:				
Personal Services	11,555	11,555	11,463	92
Other	21,829	21,829	10,939	10,890
Total Homeland Security Police Department	<u>33,384</u>	<u>33,384</u>	<u>22,402</u>	<u>10,982</u>
Community Diversion:				
Personal Services	4,200	4,200	4,200	0
Other	1,215	1,215	495	720
Total Community Diversion	<u>5,415</u>	<u>5,415</u>	<u>4,695</u>	<u>720</u>
Third Grade Seatbelts:				
Personal Services	844	844	844	0
Violence Against Women:				
Personal Services	47,927	47,927	47,855	72
Other	1,745	1,745	1,616	129
Total Violence Against Women	<u>\$49,672</u>	<u>\$49,672</u>	<u>\$49,471</u>	<u>\$201</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
DARE Enforcement:				
Personal Services	\$5,823	\$5,823	\$367	\$5,456
Other	99	99	0	99
Total DARE Enforcement	<u>5,922</u>	<u>5,922</u>	<u>367</u>	<u>5,555</u>
Total Police	95,237	95,237	77,779	17,458
Fire:				
Fire Department:				
Other	27,751	27,751	13,263	14,488
Total Security of Persons and Property	<u>122,988</u>	<u>122,988</u>	<u>91,042</u>	<u>31,946</u>
Leisure Time Activities:				
Soccer Donations				
Other	2,646	2,646	0	2,646
Food Bank - Recreation:				
Other	27,807	27,807	15,216	12,591
Total Leisure Time Activities	<u>30,453</u>	<u>30,453</u>	<u>15,216</u>	<u>15,237</u>
Transportation:				
Service Department Recycling Grant				
Other	8,000	8,000	4,079	3,921
Total Expenditures	<u>267,267</u>	<u>267,267</u>	<u>127,677</u>	<u>139,590</u>
Excess of Revenues Under Expenditures	(102,401)	(102,401)	(34,678)	67,723
Other Financing Sources				
Transfers In	15,000	15,000	15,000	0
Net Change in Fund Balance	(87,401)	(87,401)	(19,678)	67,723
Fund Balance Beginning of Year	75,958	75,958	75,958	0
Prior Year Encumbrances Appropriated	16,265	16,265	16,265	0
Fund Balance End of Year	<u>\$4,822</u>	<u>\$4,822</u>	<u>\$72,545</u>	<u>\$67,723</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Programs Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$173,100	\$173,100	\$193,705	\$20,605
Interest	8,900	8,900	3,409	(5,491)
<i>Total Revenues</i>	<u>182,000</u>	<u>182,000</u>	<u>197,114</u>	<u>15,114</u>
Expenditures				
Current:				
General Government:				
Municipal Court Special Programs:				
Capital Outlay	15,000	15,000	0	15,000
Other	2,500	2,500	0	2,500
<i>Total Expenditures</i>	<u>17,500</u>	<u>17,500</u>	<u>0</u>	<u>17,500</u>
<i>Excess of Revenues Over Expenditures</i>	164,500	164,500	197,114	32,614
Other Financing Uses				
Transfers Out	(141,530)	(141,530)	(141,530)	0
<i>Net Change in Fund Balance</i>	22,970	22,970	55,584	32,614
<i>Fund Balance Beginning of Year</i>	<u>755,919</u>	<u>755,919</u>	<u>755,919</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$778,889</u></u>	<u><u>\$778,889</u></u>	<u><u>\$811,503</u></u>	<u><u>\$32,614</u></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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
HUD Housing Rehabilitation:				
Capital Outlay	83,465	83,465	56,037	27,428
<i>Excess of Revenues Under Expenditures</i>	<u>(83,465)</u>	<u>(83,465)</u>	<u>(56,037)</u>	<u>27,428</u>
Other Financing Sources				
Sale of Capital Assets	10,000	10,000	10,000	0
Advances In	78,909	78,909	78,909	0
<i>Total Other Financing Sources</i>	<u>88,909</u>	<u>88,909</u>	<u>88,909</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,444	5,444	32,872	27,428
<i>Fund Balance Beginning of Year</i>	4,406	4,406	4,406	0
Prior Year Encumbrances Appropriated	150	150	150	0
<i>Fund Balance End of Year</i>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$37,428</u>	<u>\$27,428</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Interlock and Monitoring Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$10,000	\$10,000	\$18,806	\$8,806
Interest	<u>0</u>	<u>0</u>	<u>178</u>	<u>178</u>
<i>Total Revenues</i>	10,000	10,000	18,984	8,984
Expenditures				
Current:				
General Government:				
Indigent Interlock and Monitoring:				
Other	<u>15,000</u>	<u>15,000</u>	<u>6,516</u>	<u>8,484</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	12,468	17,468
<i>Fund Balance Beginning of Year</i>	<u>33,138</u>	<u>33,138</u>	<u>33,138</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,138</u></u>	<u><u>\$28,138</u></u>	<u><u>\$45,606</u></u>	<u><u>\$17,468</u></u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Donations Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$100	\$100	\$186	\$86
Other	100	100	50	(50)
<i>Total Revenues</i>	200	200	236	36
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Other	200	200	0	200
<i>Net Change in Fund Balance</i>	0	0	236	236
<i>Fund Balance Beginning of Year</i>	43,056	43,056	43,056	0
<i>Fund Balance End of Year</i>	\$43,056	\$43,056	\$43,292	\$236

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enterprise Zone Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$8,500	\$8,500	\$8,250	(\$250)
Interest	1,000	1,000	284	(716)
<i>Total Revenues</i>	<u>9,500</u>	<u>9,500</u>	<u>8,534</u>	<u>(966)</u>
Expenditures				
Current:				
Community Development:				
Enterprise Zone:				
Personal Services	97,170	103,778	99,121	4,657
Other	187,115	195,542	191,860	3,682
<i>Total Expenditures</i>	<u>284,285</u>	<u>299,320</u>	<u>290,981</u>	<u>8,339</u>
<i>Excess of Revenues Under Expenditures</i>	(274,785)	(289,820)	(282,447)	7,373
Other Financing Sources				
Transfers In	207,000	207,000	207,000	0
<i>Net Change in Fund Balance</i>	(67,785)	(82,820)	(75,447)	7,373
<i>Fund Balance Beginning of Year</i>	<u>141,518</u>	<u>141,518</u>	<u>141,518</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$73,733</u>	<u>\$58,698</u>	<u>\$66,071</u>	<u>\$7,373</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$39,150	\$39,150	\$40,330	\$1,180
Interest	700	700	378	(322)
Other	200	200	120	(80)
<i>Total Revenues</i>	<u>40,050</u>	<u>40,050</u>	<u>40,828</u>	<u>778</u>
Expenditures				
Current:				
Public Health and Welfare:				
Cemetery:				
Personal Services	96,315	100,258	100,142	116
Capital Outlay	0	4,350	4,350	0
Other	30,850	28,000	17,722	10,278
<i>Total Expenditures</i>	<u>127,165</u>	<u>132,608</u>	<u>122,214</u>	<u>10,394</u>
<i>Excess of Revenues Under Expenditures</i>	(87,115)	(92,558)	(81,386)	11,172
Other Financing Sources				
Transfers In	45,000	45,000	45,000	0
<i>Net Change in Fund Balance</i>	(42,115)	(47,558)	(36,386)	11,172
<i>Fund Balance Beginning of Year</i>	108,832	108,832	108,832	0
Prior Year Encumbrances Appropriated	850	850	850	0
<i>Fund Balance End of Year</i>	<u>\$67,567</u>	<u>\$62,124</u>	<u>\$73,296</u>	<u>\$11,172</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$129,900	\$129,900	\$127,917	(\$1,983)
Interest	2,000	2,000	1,207	(793)
Other	200	200	843	643
<i>Total Revenues</i>	<u>132,100</u>	<u>132,100</u>	<u>129,967</u>	<u>(2,133)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Playgrounds:				
Personal Services	252,400	256,008	237,305	18,703
Other	178,800	178,800	163,545	15,255
Total Playgrounds	<u>431,200</u>	<u>434,808</u>	<u>400,850</u>	<u>33,958</u>
Swimming Pool:				
Personal Services	169,215	169,215	158,462	10,753
Capital Outlay	3,650	7,300	3,677	3,623
Other	51,234	51,234	43,499	7,735
Total Swimming Pool	<u>224,099</u>	<u>227,749</u>	<u>205,638</u>	<u>22,111</u>
Ellenwood Center:				
Personal Services	451,595	474,370	427,131	47,239
Capital Outlay	27,190	22,190	22,142	48
Other	123,636	128,636	82,673	45,963
Total Ellenwood Center	<u>602,421</u>	<u>625,196</u>	<u>531,946</u>	<u>93,250</u>
<i>Total Expenditures</i>	<u>1,257,720</u>	<u>1,287,753</u>	<u>1,138,434</u>	<u>149,319</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,125,620)</u>	<u>(1,155,653)</u>	<u>(1,008,467)</u>	<u>147,186</u>
Other Financing Sources				
Sale of Capital Assets	2,000	2,000	0	(2,000)
Transfers In	980,000	980,000	920,000	(60,000)
<i>Total Other Financing Sources</i>	<u>982,000</u>	<u>982,000</u>	<u>920,000</u>	<u>(62,000)</u>
<i>Net Change in Fund Balance</i>	(143,620)	(173,653)	(88,467)	85,186
<i>Fund Balance Beginning of Year</i>	266,024	266,024	266,024	0
Prior Year Encumbrances Appropriated	<u>21,175</u>	<u>21,175</u>	<u>21,175</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$143,579</u>	<u>\$113,546</u>	<u>\$198,732</u>	<u>\$85,186</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$241,329	\$241,329	\$234,006	(\$7,323)
Municipal Income Taxes	680,015	680,015	720,216	40,201
Intergovernmental	26,814	26,814	25,797	(1,017)
Interest	1,000	1,000	2,035	1,035
Other	14,592	14,592	14,592	0
<i>Total Revenues</i>	<u>963,750</u>	<u>963,750</u>	<u>996,646</u>	<u>32,896</u>
Expenditures				
Debt Service:				
Principal Retirement	819,558	819,558	816,906	2,652
Interest and Fiscal Charges	459,662	459,662	459,662	0
<i>Total Expenditures</i>	<u>1,279,220</u>	<u>1,279,220</u>	<u>1,276,568</u>	<u>2,652</u>
<i>Excess of Revenues Under Expenditures</i>	(315,470)	(315,470)	(279,922)	35,548
Other Financing Sources				
Transfers In	350,395	350,395	350,395	0
<i>Net Change in Fund Balance</i>	34,925	34,925	70,473	35,548
<i>Fund Balance Beginning of Year</i>	<u>42,256</u>	<u>42,256</u>	<u>42,256</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$77,181</u>	<u>\$77,181</u>	<u>\$112,729</u>	<u>\$35,548</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$84,700	\$84,700	\$89,053	\$4,353
Interest	700	700	222	(478)
<i>Total Revenues</i>	<u>85,400</u>	<u>85,400</u>	<u>89,275</u>	<u>3,875</u>
Expenditures				
Debt Service:				
Principal Retirement	70,000	70,000	70,000	0
Interest and Fiscal Charges	14,700	14,700	14,700	0
<i>Total Expenditures</i>	<u>84,700</u>	<u>84,700</u>	<u>84,700</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	700	700	4,575	3,875
<i>Fund Balance Beginning of Year</i>	<u>65,138</u>	<u>65,138</u>	<u>65,138</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$65,838</u></u>	<u><u>\$65,838</u></u>	<u><u>\$69,713</u></u>	<u><u>\$3,875</u></u>

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$77,000	\$25,675	\$25,674	(\$1)
Interest	5,000	292	292	0
<i>Total Revenues</i>	<u>82,000</u>	<u>25,967</u>	<u>25,966</u>	<u>(1)</u>
Expenditures				
Capital Outlay:				
Municipal Court Improvement:				
Capital Outlay	60,000	0	0	0
Other	115,000	31,707	31,707	0
<i>Total Expenditures</i>	<u>175,000</u>	<u>31,707</u>	<u>31,707</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(93,000)	(5,740)	(5,741)	(1)
Other Financing Uses				
Transfers Out	0	(230,372)	(230,372)	0
<i>Net Change in Fund Balance</i>	(93,000)	(236,112)	(236,113)	(1)
<i>Fund Balance Beginning of Year</i>	<u>236,113</u>	<u>236,113</u>	<u>236,113</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$143,113</u>	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$56,324	\$61,324	\$50,945	(\$10,379)
Interest	4,708	4,708	516	(4,192)
<i>Total Revenues</i>	<u>61,032</u>	<u>66,032</u>	<u>51,461</u>	<u>(14,571)</u>
Expenditures				
Capital Outlay:				
Municipal Court Computer:				0
Capital Outlay	0	33,310	32,052	1,258
Other	143,293	139,983	107,227	32,756
<i>Total Expenditures</i>	<u>143,293</u>	<u>173,293</u>	<u>139,279</u>	<u>34,014</u>
<i>Excess of Revenues Under Expenditures</i>	(82,261)	(107,261)	(87,818)	19,443
Other Financing Sources				
Transfers In	230,372	230,372	230,372	0
<i>Net Change in Fund Balance</i>	148,111	123,111	142,554	19,443
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$148,111</u>	<u>\$123,111</u>	<u>\$142,554</u>	<u>\$19,443</u>

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$32,239	\$32,239
Interest	4,000	4,000	1,936	(2,064)
<i>Total Revenues</i>	4,000	4,000	34,175	30,175
Expenditures				
Capital Outlay	358,316	384,137	338,655	45,482
<i>Excess of Revenues Under Expenditures</i>	(354,316)	(380,137)	(304,480)	75,657
Other Financing Sources				
Sale of Capital Assets	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(329,316)	(355,137)	(279,480)	75,657
<i>Fund Balance Beginning of Year</i>	423,402	423,402	423,402	0
Prior Year Encumbrances Appropriated	263,445	263,445	263,445	0
<i>Fund Balance End of Year</i>	<u>\$357,531</u>	<u>\$331,710</u>	<u>\$407,367</u>	<u>\$75,657</u>

City of Bedford, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Health Insurance Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$2,226,890	\$2,825,890	\$2,866,085	\$40,195
Interest	2,000	2,000	1,179	(821)
Other	28,000	28,000	27,331	(669)
<i>Total Revenues</i>	<u>2,256,890</u>	<u>2,855,890</u>	<u>2,894,595</u>	<u>38,705</u>
Expenses				
Contractual Services	357,000	359,000	333,412	25,588
Claims	1,899,890	2,736,890	2,698,622	38,268
<i>Total Expenses</i>	<u>2,256,890</u>	<u>3,095,890</u>	<u>3,032,034</u>	<u>63,856</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	0	(240,000)	(137,439)	102,561
Transfers In	0	40,000	40,000	0
<i>Net Change in Fund Equity</i>	0	(200,000)	(97,439)	102,561
<i>Fund Equity Beginning of Year</i>	400,741	400,741	400,741	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Equity End of Year</i>	<u>\$400,741</u>	<u>\$200,741</u>	<u>\$303,302</u>	<u>\$102,561</u>

S TATISTICAL

S ECTION





City of BEDFORD, Ohio

Statistical Section

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

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

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

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

	2012	2011	2010	2009
Governmental Activities				
Net Investment in				
Capital Assets	\$19,668,123	\$20,968,797	\$22,729,591	\$24,376,061
Restricted:				
Capital Projects	147,188	241,731	0	410,909
Debt Service	509,480	513,704	533,106	624,790
Municipal Courts	830,873	774,291	746,043	714,104
Fire	0	0	0	0
Streets	1,115,228	1,227,043	1,125,705	1,098,471
Community Development	737,303	627,065	535,619	201,776
Street Lighting	550,136	555,255	585,951	647,086
Drug Force Violations	331,639	409,517	192,207	0
Other Purposes	393,617	301,073	428,972	459,359
Unrestricted	<u>11,095,401</u>	<u>12,312,481</u>	<u>10,878,025</u>	<u>9,786,893</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>35,378,988</u>	<u>37,930,957</u>	<u>37,755,219</u>	<u>38,319,449</u>
Business Type - Activities				
Net Investment in				
Capital Assets	7,732,350	5,917,802	4,122,051	5,780,208
Unrestricted	<u>6,215,323</u>	<u>5,976,224</u>	<u>6,382,757</u>	<u>4,343,937</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>13,947,673</u>	<u>11,894,026</u>	<u>10,504,808</u>	<u>10,124,145</u>
Primary Government				
Net Investment in				
Capital Assets	27,400,473	26,886,599	26,851,642	30,156,269
Restricted	4,615,464	4,649,679	4,147,603	4,156,495
Unrestricted	<u>17,310,724</u>	<u>18,288,705</u>	<u>17,260,782</u>	<u>14,130,830</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$49,326,661</u>	<u>\$49,824,983</u>	<u>\$48,260,027</u>	<u>\$48,443,594</u>

2008	2007	2006	2005	2004	2003
\$25,879,539	\$27,216,162	\$27,242,739	\$29,561,437	\$29,950,309	\$30,244,755
952,794	974,982	1,171,756	1,356,429	1,719,410	3,057,559
933,485	1,181,876	1,321,616	1,143,792	1,247,181	1,176,626
698,237	0	0	0	0	0
161,449	134,774	522,030	423,999	362,312	97,233
1,441,636	1,493,516	1,162,070	1,294,088	1,371,972	1,183,863
366,176	0	0	0	0	0
621,919	0	0	0	0	0
0	0	0	0	0	0
720,655	2,524,936	1,746,159	701,410	1,317,826	1,270,059
10,695,092	11,350,256	11,720,851	10,220,472	8,236,154	9,350,789
42,470,982	44,876,502	44,887,221	44,701,627	44,205,164	46,380,884
5,058,014	4,527,360	3,285,261	2,842,724	2,638,318	1,356,691
4,420,694	3,766,979	4,145,274	4,335,387	3,961,305	4,260,063
9,478,708	8,294,339	7,430,535	7,178,111	6,599,623	5,616,754
30,937,553	31,743,522	30,528,000	32,404,161	32,588,627	31,601,446
5,896,351	6,310,084	5,923,631	4,919,718	6,018,701	6,785,340
15,115,786	15,117,235	15,866,125	14,555,859	12,197,459	13,610,852
\$51,949,690	\$53,170,841	\$52,317,756	\$51,879,738	\$50,804,787	\$51,997,638

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

	2012	2011	2010	2009
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$2,082,652	\$2,083,696	\$1,858,638	\$1,934,236
Security of Persons and Property:				
Police	64,368	64,974	60,445	65,680
Fire	429,512	434,885	380,753	397,435
Public Health and Welfare	14,211	14,892	42,651	45,060
Leisure Time Activities	128,611	153,829	119,801	126,569
Community Development	329,643	334,687	272,543	284,584
Basic Utility Services	310,771	289,719	292,043	334,195
Subtotal - Charges for Services	<u>3,359,768</u>	<u>3,376,682</u>	<u>3,026,874</u>	<u>3,187,759</u>
Operating Grants and Contributions:				
General Government	445,252	585,887	475,317	501,895
Security of Persons and Property:				
Police	565,729	430,038	891,928	478,920
Fire	355,615	397,242	423,286	221,427
Public Health and Welfare	88,825	25,779	34,725	23,293
Leisure Time Activities	13,128	4,325	14,635	7,500
Community Development	212,341	133,616	853,331	113,029
Basic Utility Services	0	0	5,898	0
Transportation	625,168	594,471	618,478	620,287
Subtotal - Operating Grants and Contributions	<u>2,306,058</u>	<u>2,171,358</u>	<u>3,317,598</u>	<u>1,966,351</u>
Capital Grants and Contributions:				
Transportation	5,000	97,583	24,856	392
<i>Total Governmental Activities Program Revenues</i>	<u>5,670,826</u>	<u>5,645,623</u>	<u>6,369,328</u>	<u>5,154,502</u>
Business-Type Activities:				
Charges for Services:				
Water	4,532,355	4,417,995	4,354,170	4,020,958
Wastewater	2,386,595	2,233,413	2,196,959	2,116,968
Capital Grants and Contributions				
Water	0	428,182	0	0
Wastewater	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>6,918,950</u>	<u>7,079,590</u>	<u>6,551,129</u>	<u>6,137,926</u>
<i>Total Primary Government Program Revenues</i>	<u>\$12,589,776</u>	<u>\$12,725,213</u>	<u>\$12,920,457</u>	<u>\$11,292,428</u>

2008	2007	2006	2005	2004	2003
\$2,226,427	\$2,205,689	\$1,797,782	\$1,687,566	\$1,935,330	\$1,649,919
32,779	53,907	57,998	56,734	35,648	48,104
311,809	257,282	160,839	293,200	106,118	212,339
39,230	40,510	43,580	43,443	66,437	49,584
112,805	96,845	87,771	95,355	75,441	90,675
339,374	278,011	151,920	136,304	18,569	114,584
323,511	291,969	292,023	229,705	394,613	270,348
<u>3,385,935</u>	<u>3,224,213</u>	<u>2,591,913</u>	<u>2,542,307</u>	<u>2,632,156</u>	<u>2,435,553</u>
441,910	427,621	0	0	2,245	533,316
362,903	362,556	283,602	140,902	166,920	160,110
409,838	25,100	8,413	3,724	97,744	75,022
13,399	14,102	10,680	15,066	19,818	12,812
0	0	12,370	27,865	2,065	5,044
101,163	114,687	167,843	373,911	257,363	154,524
0	0	274	6,008	4,148	16,390
668,247	661,345	667,025	626,063	555,554	612,340
<u>1,997,460</u>	<u>1,605,411</u>	<u>1,150,207</u>	<u>1,193,539</u>	<u>1,105,857</u>	<u>1,569,558</u>
227,431	307,611	431,974	425,995	383,865	630
<u>5,610,826</u>	<u>5,137,235</u>	<u>4,174,094</u>	<u>4,161,841</u>	<u>4,121,878</u>	<u>4,005,741</u>
3,729,987	3,521,515	3,237,446	3,395,893	3,199,611	3,028,854
2,091,081	2,058,390	1,943,800	2,154,552	2,073,569	2,077,765
0	331,940	0	0	0	0
7,766	222,469	32,508	8,646	714,635	140,141
<u>5,828,834</u>	<u>6,134,314</u>	<u>5,213,754</u>	<u>5,559,091</u>	<u>5,987,815</u>	<u>5,246,760</u>
<u>\$11,439,660</u>	<u>\$11,271,549</u>	<u>\$9,387,848</u>	<u>\$9,720,932</u>	<u>\$10,109,693</u>	<u>\$9,252,501</u>

(continued)

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

	2012	2011	2010	2009
Expenses				
Governmental Activities:				
General Government	\$5,451,587	\$5,091,308	\$4,908,785	\$4,928,374
Security of Persons and Property:				
Police	5,660,332	5,290,725	5,247,617	5,359,101
Fire	4,106,403	3,779,111	3,755,520	3,598,515
Public Health and Welfare	180,994	194,643	177,865	166,753
Leisure Time Activities	1,343,654	1,324,108	1,391,675	1,386,520
Community Development	746,201	843,855	949,599	912,620
Basic Utility Services	1,015,825	1,010,797	1,054,778	1,046,474
Transportation	4,363,978	4,303,602	4,685,770	4,447,747
Interest and Fiscal Charges	735,190	560,422	509,591	566,322
<i>Total Governmental Activities Expenses</i>	<u>23,604,164</u>	<u>22,398,571</u>	<u>22,681,200</u>	<u>22,412,426</u>
Business-Type Activities				
Water	3,234,955	4,131,949	4,515,808	3,854,565
Wastewater	2,040,179	1,958,932	2,051,038	2,024,262
<i>Total Business-Type Activities Expenses</i>	<u>5,275,134</u>	<u>6,090,881</u>	<u>6,566,846</u>	<u>5,878,827</u>
<i>Total Primary Government Program Expenses</i>	<u>28,879,298</u>	<u>28,489,452</u>	<u>29,248,046</u>	<u>28,291,253</u>
Net (Expense)/Revenue				
Governmental Activities	(17,933,338)	(16,752,948)	(16,311,872)	(17,257,924)
Business-Type Activities	1,643,816	988,709	(15,717)	259,099
<i>Total Primary Government Net Expense</i>	<u>(\$16,289,522)</u>	<u>(\$15,764,239)</u>	<u>(\$16,327,589)</u>	<u>(\$16,998,825)</u>

2008	2007	2006	2005	2004	2003
\$5,323,310	\$5,106,413	\$4,871,530	\$4,513,961	\$4,843,345	\$4,516,277
5,446,671	5,452,247	4,847,966	4,696,595	4,719,423	4,099,951
4,097,079	3,620,839	3,338,007	3,264,023	3,391,320	3,026,454
221,252	193,518	164,391	165,278	209,642	243,755
1,503,009	1,609,539	1,615,332	1,515,957	1,394,766	1,249,546
729,553	633,811	1,042,659	711,271	976,913	613,461
1,027,983	888,600	850,077	746,633	763,373	915,928
4,786,782	4,221,135	4,727,888	4,815,778	4,263,114	3,786,962
592,927	615,603	469,373	610,370	605,446	720,371
<u>23,728,566</u>	<u>22,341,705</u>	<u>21,927,223</u>	<u>21,039,866</u>	<u>21,167,342</u>	<u>19,172,705</u>
3,231,458	3,472,856	3,155,757	3,277,619	3,171,606	3,105,244
1,880,937	2,347,908	2,326,613	2,249,871	2,278,779	1,704,107
<u>5,112,395</u>	<u>5,820,764</u>	<u>5,482,370</u>	<u>5,527,490</u>	<u>5,450,385</u>	<u>4,809,351</u>
<u>28,840,961</u>	<u>28,162,469</u>	<u>27,409,593</u>	<u>26,567,356</u>	<u>26,617,727</u>	<u>23,982,056</u>
(18,117,740)	(17,204,470)	(17,753,129)	(16,878,025)	(17,045,464)	(15,166,964)
716,439	313,550	(268,616)	31,601	537,430	437,409
<u>(\$17,401,301)</u>	<u>(\$16,890,920)</u>	<u>(\$18,021,745)</u>	<u>(\$16,846,424)</u>	<u>(\$16,508,034)</u>	<u>(\$14,729,555)</u>

(continued)

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

	2012	2011	2010	2009
General Revenues and Other				
Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Taxes Levied For:				
General Purposes	\$1,898,877	\$2,263,682	\$2,306,766	\$2,340,611
Debt Service	225,894	32,714	0	0
Public Safety	2,778,562	3,003,234	3,016,795	943,569
Municipal Income Taxes levied for:				
General Purposes	8,904,771	9,277,242	8,145,582	7,616,052
Debt Service	720,216	680,703	657,234	626,789
Capital Outlay	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	632,800	1,131,551	1,406,412	950,510
Investment Income	20,824	108,763	37,698	172,163
Gain on Sale of Capital Assets	32,484	17,041	4,957	145,395
Miscellaneous	166,941	413,756	172,198	311,302
<i>Total Governmental Activities</i>	<u>15,381,369</u>	<u>16,928,686</u>	<u>15,747,642</u>	<u>13,106,391</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Wastewater	309,255	291,679	276,601	250,344
Investment Income	67,547	81,581	31,346	90,936
Gain on Sale of Capital Assets	0	0	21,696	0
Miscellaneous	33,029	27,249	66,737	45,058
<i>Total Business-Type Activities</i>	<u>409,831</u>	<u>400,509</u>	<u>396,380</u>	<u>386,338</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>15,791,200</u>	<u>17,329,195</u>	<u>16,144,022</u>	<u>13,492,729</u>
Change in Net Position				
Governmental Activities	(2,551,969)	175,738	(564,230)	(4,151,533)
Business-Type Activities	2,053,647	1,389,218	380,663	645,437
<i>Total Primary Government Change in Net Position</i>	<u>(\$498,322)</u>	<u>\$1,564,956</u>	<u>(\$183,567)</u>	<u>(\$3,506,096)</u>

2008	2007	2006	2005	2004	2003
\$2,436,161	\$2,648,487	\$2,435,575	\$2,548,372	\$2,499,866	\$2,306,655
0	0	0	0	0	0
880,740	957,466	880,516	885,180	903,784	820,713
9,098,927	9,852,161	10,834,317	10,625,798	8,661,875	8,749,253
680,711	769,619	870,902	653,673	0	0
0	0	0	0	588,120	566,714
1,852,030	1,735,202	1,940,740	1,925,920	1,743,683	1,310,787
411,024	750,070	648,078	255,900	150,677	202,952
114,650	38,742	27,503	80,398	1,900	632,343
237,977	442,004	301,092	399,247	319,839	288,177
15,712,220	17,193,751	17,938,723	17,374,488	14,869,744	14,877,594
291,734	329,833	373,551	435,782	392,079	377,810
145,854	189,673	140,178	87,679	47,286	43,442
0	0	3,903	0	0	2,834
30,342	30,748	3,408	23,426	6,074	3,881
467,930	550,254	521,040	546,887	445,439	427,967
16,180,150	17,744,005	18,459,763	17,921,375	15,315,183	15,305,561
(2,405,520)	(10,719)	185,594	496,463	(2,175,720)	(289,370)
1,184,369	863,804	252,424	578,488	982,869	865,376
(\$1,221,151)	\$853,085	\$438,018	\$1,074,951	(\$1,192,851)	\$576,006

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

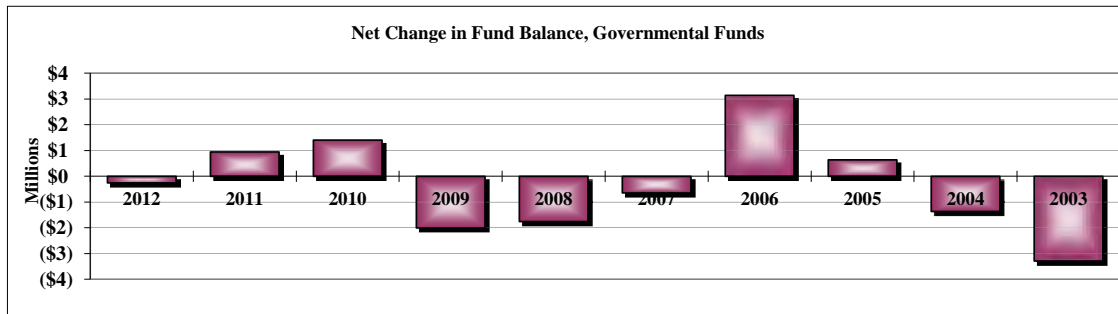
	2012	2011	2010	2009
General Fund				
Nonspendable	\$180,077	\$201,231	\$140,994	\$166,953
Committed	24,374	16,033	12,216	517
Assigned	74,306	61,663	45,607	66,615
Unassigned	10,193,528	10,019,811	8,974,991	8,431,130
Reserved	0	0	0	0
Unreserved	0	0	0	0
<i>Total General Fund</i>	<u>10,472,285</u>	<u>10,298,738</u>	<u>9,173,808</u>	<u>8,665,215</u>
All Other Governmental Funds				
Nonspendable	7,623	7,583	98,803	127,351
Restricted	3,834,556	3,979,152	3,729,801	3,268,902
Committed	79,064	311,465	80,540	6,158
Assigned	96,367	145,418	690,032	297,817
Unassigned (Deficit)	(23,847)	(22,443)	0	0
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>3,993,763</u>	<u>4,421,175</u>	<u>4,599,176</u>	<u>3,700,228</u>
<i>Total Governmental Funds</i>	<u><u>\$14,466,048</u></u>	<u><u>\$14,719,913</u></u>	<u><u>\$13,772,984</u></u>	<u><u>\$12,365,443</u></u>

Note: The City implemented GASB 54 in 2009.

2008	2007	2006	2005	2004	2003
\$205,924	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
614,578	0	0	0	0	0
9,627,764	0	0	0	0	0
0	78,845	123,858	125,743	183,862	93,979
0	10,313,325	10,708,438	9,341,622	7,780,251	8,266,852
10,448,266	10,392,170	10,832,296	9,467,365	7,964,113	8,360,831
49,844	0	0	0	0	0
3,434,707	0	0	0	0	0
0	0	0	0	0	0
437,035	0	0	0	0	0
0	0	0	0	0	0
0	836,062	1,713,841	1,070,584	1,118,261	1,671,140
0	3,398,068	2,536,991	1,706,315	1,982,268	1,851,040
0	443,234	536,692	238,235	240,837	301,642
0	823,158	915,568	908,542	1,445,177	1,931,071
3,921,586	5,500,522	5,703,092	3,923,676	4,786,543	5,754,893
\$14,369,852	\$15,892,692	\$16,535,388	\$13,391,041	\$12,750,656	\$14,115,724

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

	2012	2011	2010	2009	2008
Revenues					
Property Taxes	\$5,079,292	\$5,136,936	\$5,174,321	\$3,311,558	\$3,314,450
Municipal Income Taxes	9,928,119	9,671,215	8,819,439	8,528,730	9,401,167
Charges for Services	646,510	1,024,848	748,132	1,029,766	774,816
Fees, Licenses and Permits	210,796	248,260	211,116	162,453	207,702
Fines and Forfeitures	1,948,751	1,761,228	1,695,770	1,746,097	1,917,688
Intergovernmental	3,051,857	3,417,329	4,455,400	2,908,431	3,954,097
Special Assessments	427,208	387,548	416,092	425,542	449,480
Contributions and Donations	14,708	48,317	83,320	40,855	0
Interest	19,645	106,187	33,409	158,561	386,021
Rentals	242,940	24,632	24,090	15,480	14,290
Other	139,610	389,241	146,708	348,026	237,977
Total Revenues	21,709,436	22,215,741	21,807,797	18,675,499	20,657,688
Expenditures					
Current:					
General Government	5,033,052	4,638,074	4,432,001	4,652,214	4,833,025
Security of Persons and Property:					
Police	5,471,831	5,303,242	5,081,196	5,265,227	5,296,548
Fire	3,897,559	3,643,979	3,637,500	3,421,428	3,967,593
Public Health and Welfare	179,563	193,914	175,806	161,799	210,749
Leisure Time Activities	1,265,328	1,316,961	1,686,229	1,313,051	1,408,141
Community Development	852,251	859,349	1,255,407	911,782	1,728,246
Basic Utilities Services	1,015,825	1,010,797	1,054,778	1,046,474	1,025,646
Transportation	2,425,410	2,390,859	2,200,388	2,362,348	2,674,815
Capital Outlay	473,374	1,230,803	1,841,744	534,808	474,873
Debt Service:					
Principal Retirement	899,520	722,062	690,481	665,084	652,402
Interest and Fiscal Charges	482,024	526,162	466,198	493,363	519,709
Bond Issuance Costs	0	0	55,200	0	0
Total Expenditures	21,995,737	21,836,202	22,576,928	20,827,578	22,791,747
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(286,301)	379,539	(769,131)	(2,152,079)	(2,134,059)
Other Financing Sources (Uses)					
Sale of Capital Assets	32,896	49,041	4,387	147,670	336,433
OPWC Loans Issued	0	518,349	0	0	0
General Obligation Bonds Issued	0	0	2,145,000	0	0
Premium on Bonds Issued	0	0	23,710	0	0
Discount on Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Inception of Capital Lease	39,540	0	3,575	0	40,845
Transfers In	3,870,767	4,018,869	3,858,052	3,554,148	4,701,390
Transfers Out	(3,910,767)	(4,018,869)	(3,858,052)	(3,554,148)	(4,701,390)
Total Other Financing Sources (Uses)	32,436	567,390	2,176,672	147,670	377,278
Net Change in Fund Balances	(\$253,865)	\$946,929	\$1,407,541	(\$2,004,409)	(\$1,756,781)
Debt Service as a Percentage of Noncapital Expenditures	6.5%	6.1%	5.9%	5.8%	5.5%



2007	2006	2005	2004	2003
\$3,570,124	\$3,333,834	\$3,540,788	\$3,349,741	\$3,052,678
10,648,355	11,769,832	10,833,996	9,472,207	9,084,589
699,046	592,280	694,247	652,848	652,253
292,484	186,128	147,565	118,615	126,644
1,768,546	1,512,922	1,470,857	1,463,728	1,422,916
3,535,460	3,556,398	3,503,173	3,306,031	2,692,894
498,755	399,087	416,712	366,902	350,470
45,100	0	0	0	0
723,195	634,911	254,732	148,847	199,101
20,010	8,563	0	0	0
442,004	301,092	393,507	322,239	289,472
<u>22,243,079</u>	<u>22,295,047</u>	<u>21,255,577</u>	<u>19,201,158</u>	<u>17,871,017</u>
4,619,198	4,533,556	4,151,780	4,143,464	4,203,294
5,347,238	4,820,692	4,558,302	4,551,955	4,427,282
3,833,850	3,241,431	3,297,888	3,206,450	2,552,163
189,816	165,494	165,551	211,537	246,935
1,459,829	1,572,900	1,460,622	1,297,764	1,239,885
1,034,540	1,043,168	1,876,405	970,143	1,117,917
879,667	839,357	735,683	752,653	856,764
2,524,594	2,282,383	2,280,367	2,196,645	2,054,180
1,865,496	1,008,659	1,007,907	2,097,823	4,009,134
599,739	519,787	513,968	554,109	489,052
572,980	401,043	584,173	597,783	733,594
0	185,268	0	0	47,999
<u>22,926,947</u>	<u>20,613,738</u>	<u>20,632,646</u>	<u>20,580,326</u>	<u>21,978,199</u>
<u>(683,868)</u>	<u>1,681,309</u>	<u>622,931</u>	<u>(1,379,168)</u>	<u>(4,107,182)</u>
41,172	29,703	80,804	59,100	819,179
0	0	0	0	0
0	8,929,000	0	0	0
0	60,111	0	0	0
0	(54,376)	0	0	0
0	(7,501,400)	0	0	0
0	0	16,650	0	0
5,874,801	4,847,314	4,551,897	6,810,084	6,627,043
<u>(5,874,801)</u>	<u>(4,847,314)</u>	<u>(4,631,897)</u>	<u>(6,855,084)</u>	<u>(6,627,043)</u>
<u>41,172</u>	<u>1,463,038</u>	<u>17,454</u>	<u>14,100</u>	<u>819,179</u>
<u>(\$642,696)</u>	<u>\$3,144,347</u>	<u>\$640,385</u>	<u>(\$1,365,068)</u>	<u>(\$3,288,003)</u>
5.8%	5.7%	5.9%	6.6%	7.6%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2012	\$150,782,510	\$110,000,870	\$745,095,371	\$7,358,540	\$8,361,977
2011	151,467,810	109,940,100	746,879,743	7,037,960	7,997,682
2010	151,771,630	115,119,760	762,546,829	6,869,490	7,806,239
2009	172,280,760	108,449,470	802,086,371	6,468,910	7,351,034
2008	171,872,930	101,454,280	780,934,886	8,318,020	9,452,295
2007	152,499,920	89,128,130	690,365,857	8,552,600	9,718,864
2006	152,594,310	87,156,280	685,001,686	9,323,120	10,594,455
2005	152,563,070	90,476,710	694,399,371	9,568,670	10,873,489
2004	137,785,010	83,434,040	632,054,429	9,583,040	10,889,818
2003	137,816,380	81,783,120	627,427,143	10,282,780	11,684,977

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

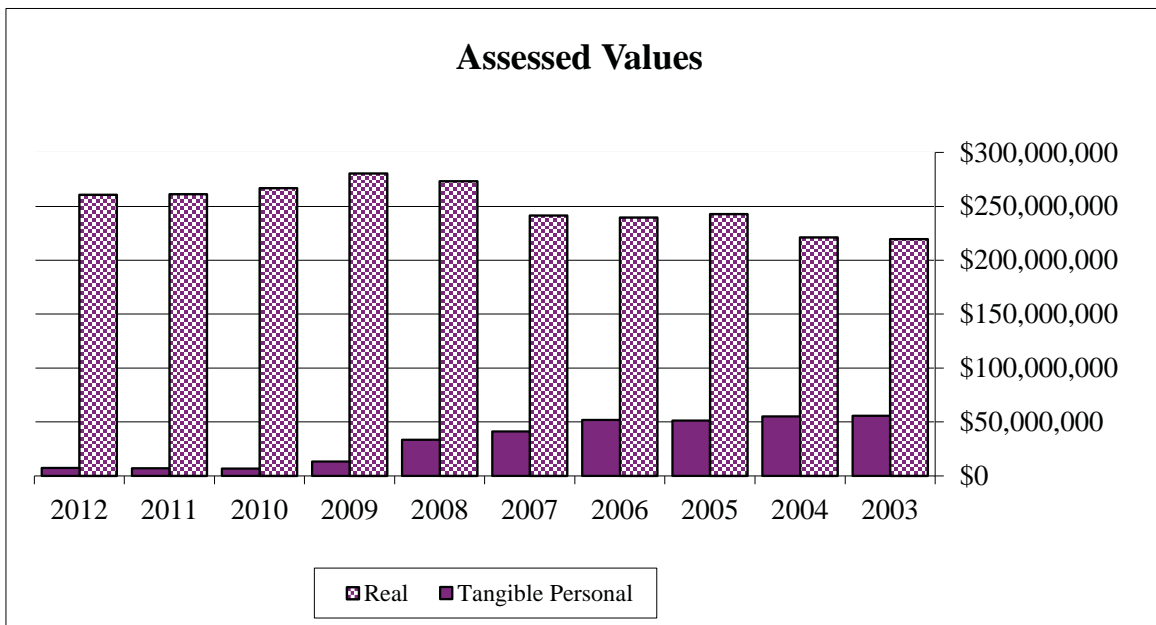
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Tangible Personal Property

General Business		Total		Ratio	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$268,141,920	\$753,457,349	35.59%	\$21.70
0	0	268,445,870	754,877,425	35.56	21.70
0	0	273,760,880	770,353,067	35.54	21.70
6,746,990	107,951,840	293,946,130	917,389,246	32.04	12.80
25,224,143	201,793,144	306,869,373	992,180,325	30.93	12.80
32,629,086	174,021,792	282,809,736	874,106,513	32.35	12.80
42,681,161	185,570,265	291,754,871	881,166,405	33.11	12.80
41,641,465	181,049,848	294,249,915	886,322,708	33.20	12.80
45,552,210	189,800,875	276,354,300	832,745,122	33.19	12.80
45,366,712	189,027,967	275,248,992	828,140,087	33.24	12.80



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

	2012	2011	2010	2009	2008
Unvoted Millage					
Operating	\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>	<u>3.8800</u>
Voted Millage - by levy					
1976 Charter/Current Expense	6.1200	6.1200	6.1200	6.1200	6.1200
1994 Charter/Fire	2.8000	2.8000	2.8000	2.8000	2.8000
2009 Charter/Safety Forces Levy	8.9000	8.9000	8.9000	0.0000	0.0000
<i>Total Voted Millage</i>	<u>17.8200</u>	<u>17.8200</u>	<u>17.8200</u>	<u>8.9200</u>	<u>8.9200</u>
Total Millage	<u><u>\$21.7000</u></u>	<u><u>\$21.7000</u></u>	<u><u>\$21.7000</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	\$40.1211	\$37.5823	\$38.6990	\$38.6966	\$30.9967
Commercial/Industrial and Public Utility Real	49.2110	47.2052	48.2579	48.1831	14.8100
General Business and Public Utility Personal	71.3000	71.3000	72.5000	72.5000	67.6000
Cuyahoga County					
Residential/Agricultural Real	13.2200	13.1182	13.1866	13.1789	12.6607
Commercial/Industrial and Public Utility Real	12.9968	12.7845	12.8412	12.8457	12.8153
General Business and Public Utility Personal	13.2200	13.2200	13.3200	13.3200	13.3200
Special Taxing Districts (1)					
Residential/Agricultural Real	7.5635	7.5041	7.4900	7.0069	6.6597
Commercial/Industrial and Public Utility Real	7.4621	7.3648	7.3450	6.9119	6.8911
General Business and Public Utility Personal	7.5800	7.5800	7.5800	7.2800	7.2800

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

2007	2006	2005	2004	2003
\$3.2800	\$3.2800	\$3.2800	\$3.2800	\$3.2800
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
3.8800	3.8800	3.8800	3.8800	3.8800
6.1200	6.1200	6.1200	6.1200	6.1200
2.8000	2.8000	2.8000	2.8000	2.8000
0.0000	0.0000	0.0000	0.0000	0.0000
8.9200	8.9200	8.9200	8.9200	8.9200
\$12.8000	\$12.8000	\$12.8000	\$12.8000	\$12.8000

\$31.0146	\$31.0133	\$33.9158	\$33.8874	\$28.9913
42.9154	43.1055	44.6558	44.6073	39.4438
67.6000	67.6000	67.4000	67.4000	62.5000

11.8689	11.8655	11.7227	10.9754	10.9899
12.4536	12.4941	12.5762	11.9846	12.0433
13.4200	13.4200	13.5200	13.5200	13.5200

5.9676	5.9669	6.2900	6.2880	4.7783
6.2518	6.2727	6.5552	6.5067	5.1811
6.7800	6.7800	6.7800	6.7800	5.8800

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)
2012	\$5,832,805	\$5,353,259	91.78%	\$467,976	\$5,821,235
2011	5,861,322	5,301,685	90.45	283,869	5,585,554
2010	5,838,928	5,509,756	94.36	185,339	5,695,095
2009	3,695,369	3,465,784	93.79	152,322	3,618,105
2008	3,605,768	3,338,117	92.58	156,286	3,494,403
2007	3,573,911	3,341,562	93.50	180,513	3,522,075
2006	3,209,968	2,981,412	92.88	112,964	3,094,376
2005	3,180,491	3,043,735	95.70	143,694	3,187,429
2004	3,233,136	3,014,061	93.22	44,237	3,058,298
2003	2,956,252	2,804,509	94.87	99,856	2,904,365

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
99.80%	\$818,604	14.03%
95.30	908,736	15.50
97.54	670,034	11.48
97.91	435,233	11.78
96.91	443,464	12.30
98.55	366,241	10.25
96.40	304,742	9.49
100.22	220,549	6.93
94.59	327,785	10.14
98.24	273,875	9.26

City of Bedford, Ohio
Principal Real Property Taxpayers
 2012 and 2003

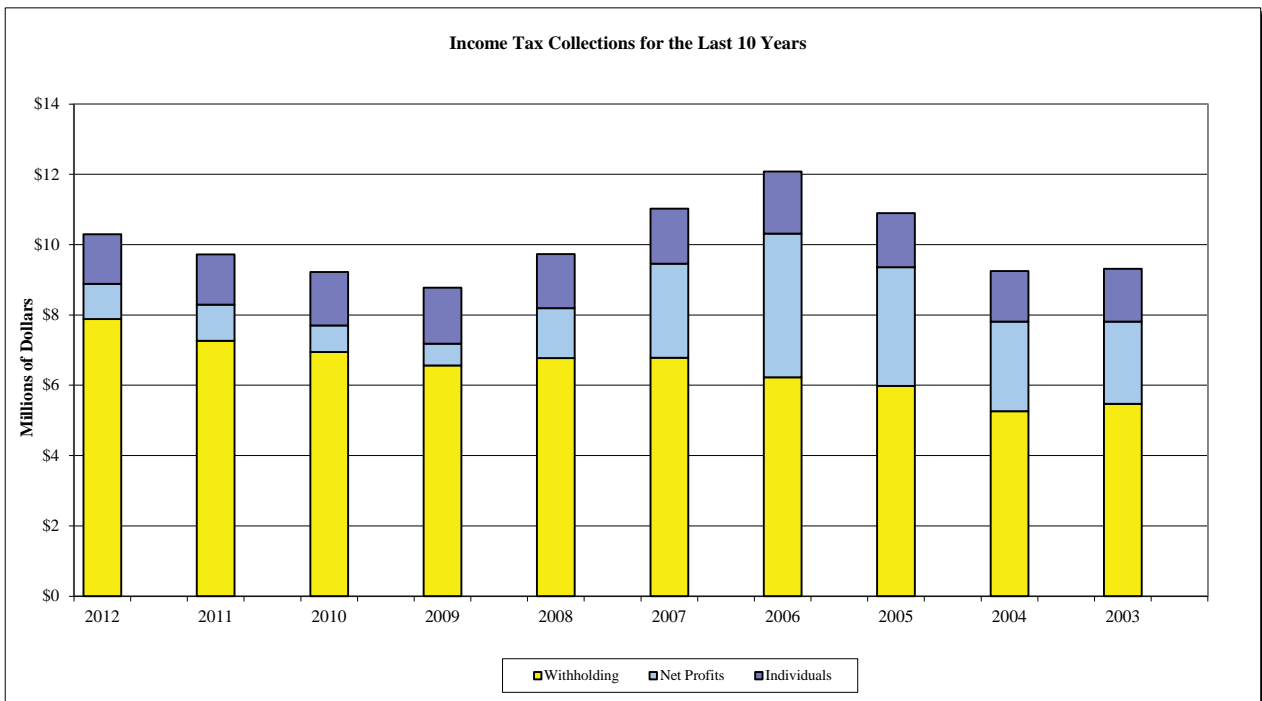
<i>2012</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Ben Venue Laboratories Incorporated	\$8,810,140	3.38 %
Cleveland Electric Illuminating Company	6,801,890	2.61
Bedford Colony Club Apartments	4,889,220	1.87
Wal-Mart Stores	4,605,380	1.77
Bear Creek Property Company	3,795,910	1.46
CSH-ING Woodside Village	3,612,460	1.39
HIN, LLC	2,275,000	0.87
University Hospitals Health Systems	2,218,760	0.85
Brandybrook LLC	1,804,580	0.68
Nextgen Group	1,765,160	0.68
Total	\$40,578,500	15.56 %
Total Real Property Assessed Valuation	\$260,783,380	
<i>2003</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Bear Creek Property Company	\$6,814,270	3.10 %
Cleveland Electric Illuminating Company	4,762,280	2.17
Ben Venue Laboratories Incorporated	4,686,310	2.13
Bedford Colony Club Apartments	4,225,420	1.92
Brandybrook LLC	3,964,120	1.81
Ohio Bell Telephone Company	3,261,230	1.49
Aspen Woodside Village LLC	3,199,810	1.46
JBK	2,742,440	1.25
Meadowbrook Development Corporation	2,079,090	0.95
Colony Club Apartments II	1,890,290	0.85
Total	\$37,625,260	17.13 %
Total Real Property Assessed Valuation	\$219,599,500	

Source: Cuyahoga County Auditor

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2012	2.25%	\$10,294,837	\$7,885,409	76.60%	\$995,553	9.67%	\$1,413,875	13.73%
2011	2.25	9,725,086	7,268,751	74.74	1,020,089	10.49	1,436,246	14.77
2010	2.25	9,222,515	6,948,561	75.34	752,013	8.15	1,521,941	16.50
2009	2.25	8,778,810	6,564,851	74.78	621,519	7.08	1,592,440	18.14
2008	2.25	9,730,084	6,769,942	69.58	1,422,846	14.62	1,537,296	15.80
2007	2.25	11,024,893	6,784,719	61.54	2,672,434	24.24	1,567,740	14.22
2006	2.25	12,078,770	6,229,296	51.57	4,082,128	33.80	1,767,346	14.63
2005	2.25	10,894,777	5,979,699	54.89	3,377,345	31.00	1,537,733	14.11
2004	2.25	9,249,995	5,264,879	56.92	2,547,691	27.54	1,437,425	15.54
2003	2.25	9,315,967	5,470,228	58.72	2,337,310	25.09	1,508,429	16.19

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



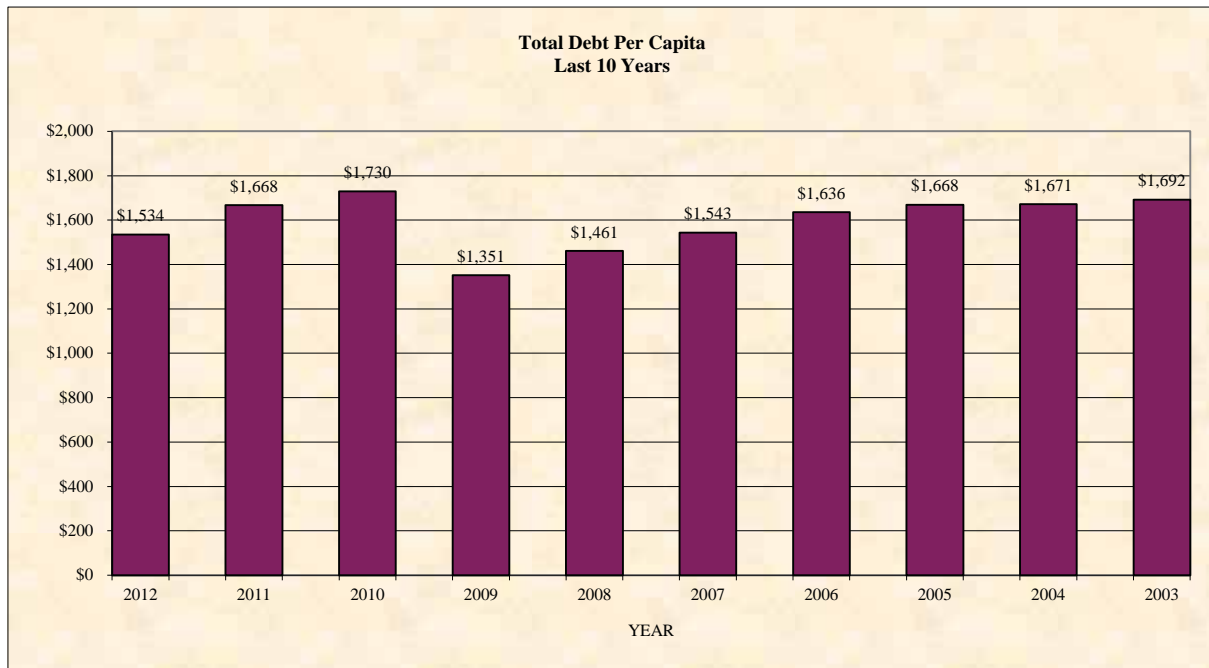
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						General Obligation Bonds
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension	Bond Anticipation Notes	
2012	\$10,984,030	\$170,000	\$733,253	\$44,475	\$176,794	\$0	\$4,095,413
2011	11,729,474	240,000	807,359	12,915	181,428	0	4,439,170
2010	11,963,792	310,000	337,199	22,845	185,871	0	4,652,674
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

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

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	\$2,393,182	\$1,460,186	\$0	\$20,057,333	6.63%	\$1,534
0	0	3,298,229	1,092,830	0	21,801,405	6.82	1,668
0	0	3,977,893	1,168,124	0	22,618,398	7.23	1,730
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



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

Year	Population (1)		Estimated True Values of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2012	13,074	b	\$753,457,349	\$15,079,443	2.00 %	\$1,153.39
2011	13,074	b	754,877,425	16,168,644	2.14	1,236.70
2010	13,074	b	770,353,067	16,616,466	2.16	1,270.96
2009	14,214	a	917,389,246	12,260,404	1.34	862.56
2008	14,214	a	992,180,325	13,006,912	1.31	915.08
2007	14,214	a	874,106,513	13,723,420	1.15	965.49
2006	14,214	a	881,166,405	14,379,928	1.63	1,011.67
2005	14,214	a	886,322,708	12,868,206	1.45	905.32
2004	14,214	a	832,745,122	13,426,551	1.61	944.60
2003	14,214	a	828,140,087	14,024,896	1.69	986.70

Sources:

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

(a) 2000 Federal Census

(b) 2010 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, 2012

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Bedford
Direct - City of Bedford			
General Obligation Bonds	\$10,984,030	100.00%	\$10,984,030
Special Assessment Bonds	170,000	100.00%	170,000
OPWC Loans	733,253	100.00%	733,253
Capital Leases	44,475	100.00%	44,475
Police Pension	176,794	100.00%	176,794
<i>Total Direct Debt</i>	12,108,552 *		12,108,552
Overlapping			
Bedford School District			
General Obligation Bonds	3,911,235	37.68%	1,473,753
Loans	73,000	37.68%	27,506
Capital Leases	388,868	37.68%	146,525
Cuyahoga County			
General Obligation Bonds	352,896,785	0.92%	3,246,650
Revenue Bonds	441,559,586	0.92%	4,062,348
Notes Payable	7,200,000	0.92%	66,240
Loans Payable	7,269,902	0.92%	66,883
Greater Cleveland Regional Transit Authority			
	151,916,808	0.92%	1,397,635
<i>Total Overlapping Debt</i>	965,216,184		10,487,541
Total	<u>\$977,324,736</u>		<u>\$22,596,093</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.

* \$9,985,000 of the total \$10,984,030 of total outstanding general obligation debt is backed by two revenue sources.

\$6,455,000 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.

\$1,520,000 of general obligation debt is backed by a municipal court fee which is added to court cases.

\$170,000 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 \$7,975,000 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio

Legal Debt Margin

Last Ten Years

	2012	2011	2010	2009
Population	13,074	13,074	13,074	14,214
Total Assessed Property Value	<u>\$268,141,920</u>	<u>\$268,445,870</u>	<u>\$273,760,880</u>	<u>\$293,946,130</u>
General Bonded Debt Outstanding:				
General Obligation Notes/Bonds	\$15,045,000	\$16,130,000	\$16,970,000	\$12,680,000
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	170,000	240,000	310,000	370,000
Bond Anticipation Notes	0	0	0	0
OPWC Loans	2,193,739	1,900,189	1,505,323	1,628,806
OWDA Loans	<u>2,393,182</u>	<u>3,298,229</u>	<u>4,162,292</u>	<u>4,991,234</u>
Total Gross Indebtedness	19,801,921	21,568,418	22,947,615	19,670,040
Less:				
General Obligation Notes/Bonds	(10,538,200)	(11,360,400)	(12,075,900)	(9,809,700)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(170,000)	(240,000)	(310,000)	(370,000)
OPWC Loans	(2,193,739)	(1,900,189)	(1,505,323)	(1,628,806)
OWDA Loans	(2,393,182)	(3,298,229)	(4,162,292)	(4,991,234)
General Obligation Bond Retirement Fund Balance	<u>(112,729)</u>	<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>
Total Net Debt Applicable to Debt Limit	<u>4,394,071</u>	<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>28,154,902</u>	<u>28,186,816</u>	<u>28,744,892</u>	<u>30,864,344</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,760,831</u>	<u>\$23,459,472</u>	<u>\$23,856,250</u>	<u>\$27,994,571</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.39%	83.23%	82.99%	90.70%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$14,747,806</u>	<u>\$14,764,523</u>	<u>\$15,056,848</u>	<u>\$16,167,037</u>
Total Gross Indebtedness	19,801,921	21,568,418	22,947,615	19,670,040
Less:				
General Obligation Notes/Bonds	(10,538,200)	(11,360,400)	(12,075,900)	(9,809,700)
General Obligation Revenue Notes/Bonds	0	0	0	0
Special Assessment Bonds	(170,000)	(240,000)	(310,000)	(370,000)
OPWC Loans	(2,193,739)	(1,900,189)	(1,505,323)	(1,628,806)
OWDA Loans	(2,393,182)	(3,298,229)	(4,162,292)	(4,991,234)
General Obligation Bond Retirement Fund Balance	<u>(112,729)</u>	<u>(42,256)</u>	<u>(5,458)</u>	<u>(527)</u>
Net Debt Within 5 ½ % Limitations	<u>4,394,071</u>	<u>4,727,344</u>	<u>4,888,642</u>	<u>2,869,773</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$10,353,735</u>	<u>\$10,037,179</u>	<u>\$10,168,206</u>	<u>\$13,297,264</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	70.21%	67.98%	67.53%	82.25%

Source: City Financial Records

2008	2007	2006	2005	2004	2003
14,214	14,214	14,214	14,214	14,214	14,214
<u>\$306,869,373</u>	<u>\$282,809,736</u>	<u>\$291,754,871</u>	<u>\$294,249,915</u>	<u>\$276,354,300</u>	<u>\$275,248,992</u>
\$13,455,000	\$14,200,000	\$14,379,928	\$12,925,000	\$13,490,000	\$14,095,000
0	0	0	0	0	0
430,000	500,000	570,000	635,000	750,000	865,000
0	0	0	1,200,000	0	0
1,644,089	1,381,184	1,323,876	615,614	667,965	720,318
<u>5,774,833</u>	<u>6,526,785</u>	<u>7,244,711</u>	<u>7,930,155</u>	<u>8,586,780</u>	<u>9,211,698</u>
21,303,922	22,607,969	23,518,515	23,305,769	23,494,745	24,892,016
(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)	(12,024,896)
0	0	0	0	0	0
(430,000)	(500,000)	(570,000)	(635,000)	(750,000)	(865,000)
(1,488,054)	(1,381,184)	(1,323,876)	(615,614)	(667,965)	(720,318)
(5,774,833)	(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)	(9,211,698)
<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>	<u>(79,634)</u>
<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>	<u>3,042,205</u>	<u>1,897,457</u>	<u>1,990,470</u>
<u>32,221,284</u>	<u>29,695,022</u>	<u>30,634,261</u>	<u>30,896,241</u>	<u>29,017,202</u>	<u>28,901,144</u>
<u>\$29,104,073</u>	<u>\$26,834,907</u>	<u>\$28,217,091</u>	<u>\$27,854,036</u>	<u>\$27,119,745</u>	<u>\$26,910,674</u>
90.33%	90.37%	92.11%	90.15%	93.46%	93.11%
<u>\$16,877,816</u>	<u>\$15,554,535</u>	<u>\$16,046,518</u>	<u>\$16,183,745</u>	<u>\$15,199,487</u>	<u>\$15,138,695</u>
21,303,922	22,607,969	23,518,515	23,305,769	23,494,745	24,892,016
(10,473,500)	(11,110,600)	(11,628,095)	(11,035,000)	(11,545,000)	(12,024,896)
0	0	0	0	0	0
(430,000)	(500,000)	(570,000)	(635,000)	(750,000)	(865,000)
(1,488,054)	(1,381,184)	(1,323,876)	(615,614)	(667,965)	(720,318)
(5,774,833)	(6,526,785)	(7,244,711)	(7,930,155)	(8,586,780)	(9,211,698)
<u>(20,324)</u>	<u>(229,285)</u>	<u>(334,663)</u>	<u>(47,795)</u>	<u>(47,543)</u>	<u>(79,634)</u>
<u>3,117,211</u>	<u>2,860,115</u>	<u>2,417,170</u>	<u>3,042,205</u>	<u>1,897,457</u>	<u>1,990,470</u>
<u>\$13,760,605</u>	<u>\$12,694,420</u>	<u>\$13,629,348</u>	<u>\$13,141,540</u>	<u>\$13,302,030</u>	<u>\$13,148,225</u>
81.53%	81.61%	84.94%	81.20%	87.52%	86.85%

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	
2012	\$4,606,712	\$2,909,601	\$1,697,111	\$31,350	\$0	54.13
2011	4,491,419	3,871,249	620,170	20,000	0	31.01
2010	4,439,060	4,317,927	121,133	20,000	0	6.06
2009	4,122,298	3,687,421	434,877	10,000	0	43.49
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

(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	
2012	\$2,412,814	\$1,400,579	\$1,012,235	\$960,341	\$135,242	0.92
2011	2,268,819	1,334,752	934,067	919,357	173,759	0.85
2010	2,210,152	1,437,937	772,215	900,236	236,069	0.68
2009	2,151,622	1,375,304	776,318	837,884	250,222	0.71
2008	2,159,995	1,145,837	1,014,158	797,229	284,358	0.94
2007	2,154,440	1,498,860	655,580	763,203	325,221	0.60
2006	2,024,507	1,376,482	648,025	730,721	352,377	0.60
2005	2,210,383	1,296,688	913,695	679,082	383,294	0.86
2004	2,099,552	1,254,218	845,334	629,080	413,069	0.81
2003	2,098,879	1,083,100	1,015,779	521,828	344,265	1.17

(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

2012		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	1,477	10.19%
University Hospitals Health Systems	915	6.31
Wal-Mart Associates Inc.	618	4.26
Bedford City School District	473	3.26
US Bank National Association	416	2.87
City of Bedford	346	2.39
HB Employee Services LLC	222	1.53
Jay Pontiac Inc.	195	1.36
Alliance Scientific Solutions	181	1.25
Riser Foods Company	181	1.25
Total	5,024	34.67%
Total Employment within the City	14,492	

2003		
Employer	Employees	Percentage of Total City Employment
Ben Venue Laboratories Inc.	899	6.48%
University Hospital Health Systems	814	5.87
Bedford City School District	575	4.14
Target Division of Dayton Hudson	389	2.80
City of Bedford	344	2.48
Riser Foods Company	225	1.62
Tim Lally Chevrolet Inc.	184	1.33
Ohio Bell Telephone	181	1.30
TriCounty Business Service	175	1.26
Jay Pontiac Inc.	169	1.23
Total	3,955	28.51%
Total City Employees	13,873	

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



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>
2012	13,074	\$302,597,730	\$23,145	\$42,474	42
2011	13,074	312,808,524	23,926	42,171	44
2010	13,074	312,808,524	23,926	42,171	44
2009	14,214	285,360,264	20,076	36,943	39
2008	14,214	285,360,264	20,076	36,943	39
2007	14,214	285,360,264	20,076	36,943	39
2006	14,214	285,360,264	20,076	36,943	39
2005	14,214	285,360,264	20,076	36,943	39
2004	14,214	285,360,264	20,076	36,943	39
2003	14,214	285,360,264	20,076	36,943	39

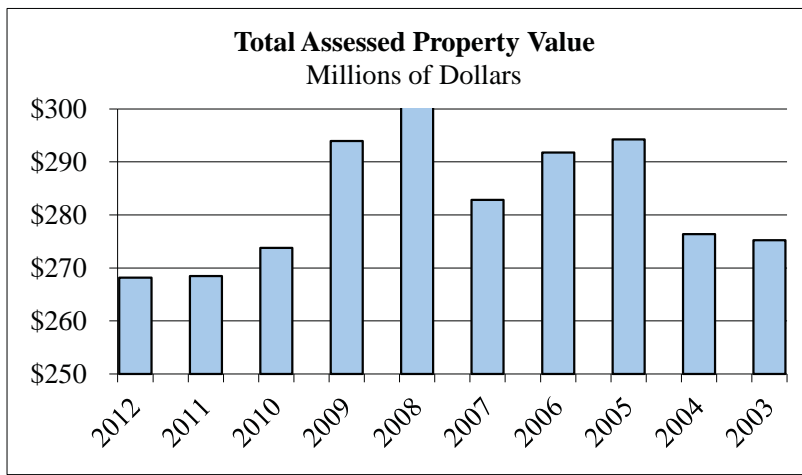
(1) Source: U. S. Census

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

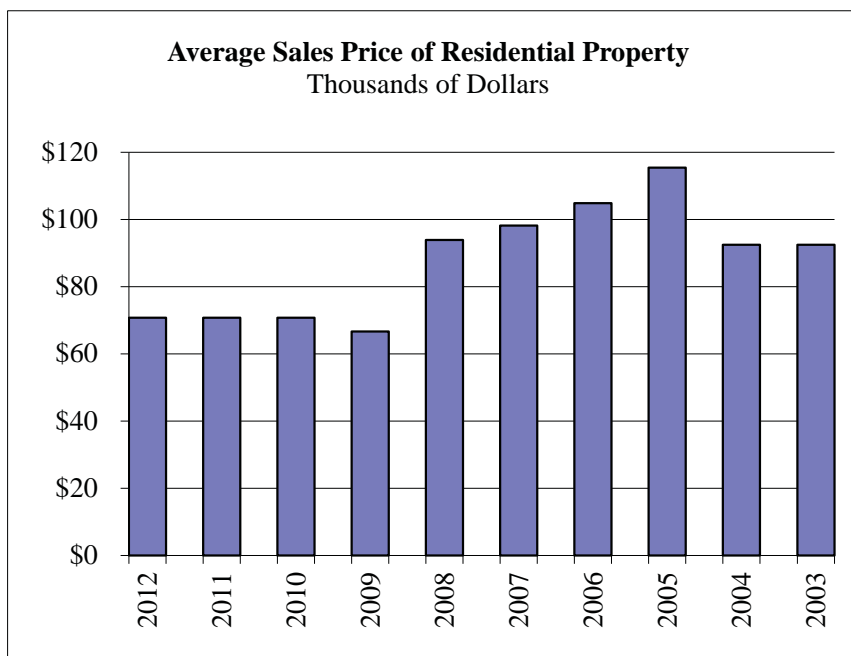
(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County 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)
18.0%	3,529	7.3%	\$70,721	\$268,141,920
16.7	4,011	7.1	70,721	268,445,870
16.7	4,011	8.6	70,721	273,760,880
18.2	4,170	9.0	66,630	293,946,130
18.2	4,108	7.1	93,827	306,869,373
18.2	3,925	6.1	98,124	282,809,736
18.2	3,908	5.5	104,772	291,754,871
18.2	3,680	5.9	115,395	294,249,915
18.2	3,912	6.3	92,400	276,354,300
18.2	3,637	6.2	92,400	275,248,992



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

Function/Program	2012	2011	2010	2009
General Government				
Council	8.00	8.00	8.00	8.00
Finance	5.00	5.00	5.50	5.50
Tax	3.50	3.50	3.50	3.00
City Manager	1.00	1.00	1.00	0.00
Law	1.00	1.00	1.00	1.50
Administration	3.00	2.00	3.00	2.50
Engineer	0.50	0.50	0.50	0.50
Planning	2.00	2.00	2.00	2.00
Civil Service	2.50	2.50	2.50	2.50
Court	34.00	33.50	33.50	31.50
Public Building	4.00	5.00	5.00	3.50
Security of Persons and Property				
Police	32.00	31.00	32.00	31.00
Police - Auxiliary/Guards	12.50	16.50	14.50	14.50
Police - Dispatchers/Office/Other	14.00	13.50	14.00	15.00
Police - Jailers	2.50	2.50	2.50	2.50
Police - Animal Wardens	1.50	3.00	2.00	2.00
Fire	27.00	27.00	26.00	27.00
Fire - Secretary - Other	1.00	1.00	1.00	1.00
Public Health Services				
Cemetery	1.50	2.00	2.00	1.00
Leisure Time Activities				
Recreation	15.00	18.50	17.50	14.50
Municipal Pool	17.00	16.00	16.00	15.50
Ellenwood Center	3.50	3.50	3.50	5.50
Community Development				
Building	5.00	5.50	5.50	5.50
Economic Development	1.00	1.00	1.00	1.00
Transportation				
Service	19.50	19.00	17.50	19.50
Street Maintenance and Repair	5.50	8.00	8.00	2.00
Basic Utility Services				
Water	8.50	8.50	8.50	8.50
Wastewater	10.50	10.50	10.50	10.00
Totals:	242.00	251.00	247.50	236.50

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

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

2008	2007	2006	2005	2004	2003
8.00	8.00	8.00	8.00	8.00	8.00
5.50	5.50	5.50	5.50	5.00	5.50
3.50	3.50	3.50	3.00	3.50	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.50	1.50
4.00	4.00	4.50	4.50	4.50	4.50
0.50	0.50	0.50	0.50	0.50	0.50
2.00	1.50	1.50	1.50	1.50	1.50
2.50	2.50	2.00	2.00	2.00	2.00
35.50	36.50	34.50	30.00	35.00	35.00
5.50	5.00	5.00	5.00	4.00	4.00
35.00	33.00	33.00	32.00	32.00	30.00
16.00	16.50	17.50	12.50	12.50	13.00
15.50	15.00	10.00	12.50	12.50	13.50
2.50	2.50	3.00	2.00	3.00	2.00
2.50	1.50	2.00	2.00	2.00	1.50
27.00	30.00	30.00	28.00	29.00	30.00
1.00	1.50	1.50	1.50	1.50	1.50
1.00	1.00	2.00	1.50	1.50	2.50
20.00	19.00	17.50	14.00	14.00	14.00
16.50	17.50	16.00	15.00	15.00	15.50
3.50	5.50	5.00	6.50	6.50	5.50
5.50	5.50	5.00	5.00	5.00	5.00
2.00	2.00	1.50	1.50	1.50	1.50
20.50	20.00	20.50	24.50	24.50	21.00
6.50	6.50	6.50	4.50	4.50	5.00
9.00	8.50	7.00	9.50	9.50	8.50
10.50	10.00	11.00	11.00	11.00	11.50
<u>263.50</u>	<u>264.50</u>	<u>256.00</u>	<u>245.50</u>	<u>252.00</u>	<u>248.00</u>

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

Function/Program	2012	2011	2010	2009
General Government				
<i>Council & Clerk</i>				
Number of Ordinances Passed	109	140	231	276
Number of Resolutions Passed	13	13	25	17
<i>Finance Department</i>				
Number of checks/ vouchers issued	3,962	4,029	4,158	4,089
Amount of checks written	\$19,835,510	\$22,586,194	\$22,247,906	\$22,593,479
Interest earnings for fiscal year (cash basis)	\$56,610	\$78,405	\$80,918	\$261,084
Number of Receipts issued	2,160	2,088	1,798	1,802
Number of Journal Entries issued	1,139	1,078	1,043	1,015
Number of Budget Adjustments issued	108	102	93	88
Agency Ratings - Standard & Poors	AA	AA	AA	AA-
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	A1
Health Insurance Costs vs General Fund Expenditures %	17.47%	13.75%	11.33%	12.98%
General Fund Receipts (cash basis in thousands)	\$21,284	\$21,682	\$20,947	\$20,887
General Fund Expenditures (cash basis in thousands)	\$14,878	\$14,663	\$14,832	\$17,007
General Fund Cash Balances (in thousands)	\$8,242	\$7,818	\$6,598	\$6,283
<i>Income Tax Department</i>				
Number of Individual Returns	6,446	6,474	6,509	6,324
Number of Business Returns	2,365	2,739	2,689	2,784
Number of business withholding accounts	880	872	1,015	1,249
Amount of Penalties and Interest Collected	\$102,127	\$114,277	\$158,390	\$134,751
Annual number of Corporate withholding forms processed	4,560	4,568	6,598	7,332
Annual number of balance due statements forms processed	15,287	13,272	13,754	16,407
Annual number of estimated payment forms processed	7,785	7,610	8,622	9,835
Annual number of reconciliations of withholdings processed	1,013	1,011	1,154	1,026
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$1,721,452	\$1,969,866	\$2,302,984	\$377,787
<i>Municipal Court</i>				
Number of Civil Cases	6,155	6,225	4,558	4,664
Number of Criminal cases	10,923	9,610	9,869	10,675
<i>Vital Statistics</i>				
Certificates Filed				
Number of Births	1	2	4	1
Number of Deaths	217	228	242	233
Certificates Issued				
Number of Births	340	347	535	685
Number of Deaths	886	1,044	1,112	1,104
Burial Permits Issued	609	757	668	646
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	0
Number of fire entry tests administered	0	0	1	0
Number of police promotional tests administered	1	0	1	0
Number of fire promotional tests administered	1	0	0	0
Number of hires of Police Officers from certified lists	2	2	0	0
Number of hires of Fire/Medics from certified lists	1	0	0	0
Number of promotions from police certified lists	1	1	0	1
Number of promotions from fire certified lists	0	0	0	0

2008	2007	2006	2005	2004	2003
265	133	90	117	90	56
23	9	9	20	27	17
4,377	4,795	4,428	5,658	5,144	4,701
\$23,125,393	\$24,035,165	\$21,085,783	\$24,398,291	\$22,180,264	\$24,678,378
\$536,297	\$948,213	\$710,467	\$416,804	\$221,336	\$263,675
1,677	1,665	1,628	1,717	1,672	1,716
1,166	1,059	826	808	701	697
115	112	122	136	163	134
AA-	AA-	AA-	A+	A+	A+
A1	A1	A1	A1	A1	A1
13.25%	12.49%	11.79%	12.01%	14.25%	9.85%
\$21,478	\$22,709	\$17,725	\$16,088	\$14,958	\$14,128
\$17,047	\$23,570	\$15,203	\$15,299	\$15,299	\$15,535
\$7,903	\$9,392	\$10,214	\$7,613	\$7,316	\$7,657
6,760	6,808	7,274	7,973	8,660	11,336
2,877	2,650	2,700	2,575	2,693	2,525
1,230	1,610	1,861	1,885	1,929	1,396
\$134,751	\$135,901	\$255,463	\$133,572	\$124,942	\$112,013
7,296	9,088	10,076	10,372	10,772	n/a
15,509	13,486	15,939	17,016	17,397	n/a
11,530	12,007	12,385	12,619	12,646	n/a
1,296	1,625	1,884	1,910	1,941	n/a
\$1,453,306	\$1,981,083	\$572,572	\$2,582,246	\$2,130,797	\$1,729,184
5,770	5,267	4,577	4,378	4,074	3,642
11,400	10,732	10,289	10,521	11,254	11,875
1	2	2	2	436	398
266	232	255	261	196	241
859	1,055	1,226	1,239	1,369	1,459
1,385	960	1,327	1,487	1,101	1,574
698	606	465	454	462	602
0	1	1	1	0	0
0	0	1	1	0	0
0	2	0	0	1	1
0	1	0	0	0	0
2	0	0	0	2	0
0	0	0	0	0	0
3	0	0	0	1	1
1	0	0	0	0	0

(continued)

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

Function/Program	2012	2011	2010	2009
<i>Building Department Indicators</i>				
Construction Permits Issued	116	132	129	145
Estimated Value of Construction	\$4,872,989	\$2,608,998	\$20,457,039	\$1,438,179
Number of all permits issued	768	820	806	759
Amount of Revenue generated from permits	\$47,651	\$47,116	\$60,187	\$29,842
Number of contract registrations issued	475	463	471	495
Number of rental inspections performed	549	590	564	475
Number of point of sale inspections	227	221	228	227
Annual Apartment/Rooming House License Fees	\$38,200	\$36,190	\$37,830	\$38,900
Revenue generated from inspections	\$88,175	\$80,795	\$82,905	\$83,120
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	22,943	22,236	22,378	23,467
Number of traffic citations issued	1,421	1,329	1,887	2,233
Number of parking citations issued	1,027	942	1,493	1,447
Number of criminal arrests	2,622	2,233	1,978	2,367
Number of accident reports completed	254	309	307	336
Part 1 Offenses (major offenses)	614	703	571	669
Animal Warden service calls responded to per annual report	1,473	1,549	1,469	1,532
Police Dept. Auxiliary hours worked	2,798	3,566	3,303	4,315
DUI Arrests	32	42	46	44
Prisoners	1,845	1,717	1,562	1,860
Prisoner meal costs	\$25,729	\$17,798	\$16,013	\$30,929
Juvenile Arrests	195	188	289	349
Different Juvenile Arrests	179	252	223	267
Juvenile Repeat Offenders	16	22	38	51
Motor Vehicle Accidents	254	308	302	323
Property damage accidents	7	5	18	30
Fatalities from Motor Vehicle Accidents	0	1	1	0
Gasoline costs of fleet	\$77,141	\$72,985	\$46,347	\$55,521
Community Diversion Program Youths	25	24	38	64
Community Diversion Program - community service hours	364	348	408	548
<i>Fire</i>				
EMS Calls	1,865	1,849	1,776	1,673
Ambulance Billing Collections (net)	\$436,301	\$459,828	\$359,515	\$400,528
Fire Calls	490	716	917	583
Fires with Loss	13	16	14	13
Fires with Losses exceeding \$25K	2	0	1	6
Fire Losses \$	\$227,150	\$181,800	\$112,650	\$299,000
Fire Safety Inspections	332	363	369	392
Number of times Mutual Aid given to Fire and EMS	89	78	70	105
Number of times Mutual Aid received for Fire and EMS	118	127	123	89
Public Health & Welfare				
Cemetery burials	29	33	37	289
Cemetery cremations	24	13	9	17
Cemetery sale of lots	34	121	20	45
Cemetery receipts	\$41,320	\$75,588	\$32,865	\$45,120

2008	2007	2006	2005	2004	2003
129	127	127	120	145	155
\$6,321,592	\$27,740,947	\$5,260,975	\$36,405,800	\$6,370,050	\$3,594,730
848	905	912	918	896	851
\$77,938	\$162,079	\$65,057	\$64,474	\$41,899	\$40,099
450	517	605	453	441	441
451	442	470	503	398	397
253	304	347	342	335	300
\$36,040	\$37,780	\$31,550	\$7,560	\$8,495	\$9,375
\$87,985	\$85,780	\$92,712	\$59,803	\$56,620	\$60,690
24,866	22,454	15,000	10,536	10,042	9,858
2,505	2,568	2,574	3,214	2,462	3,602
1,438	1,280	1,434	1,427	1,506	1,648
2,284	1,718	1,863	1,610	2,204	1,546
470	553	486	544	584	573
600	657	576	540	480	407
1,542	1,535	1,732	1,566	2,186	1,478
3,529	3,439	2,668	2,892	2,758	2,345
48	35	48	50	77	71
1,672	1,456	1,510	1,415	1,482	1,338
\$28,509	\$20,517	\$16,139	\$14,157	\$15,754	\$15,019
455	340	332	168	n/a	n/a
268	253	253	159	n/a	n/a
65	49	47	9	n/a	n/a
459	541	486	526	584	573
36	430	422	452	501	491
2	1	0	1	1	0
\$86,900	\$67,244	\$45,645	\$36,301	\$38,858	\$31,231
49	45	45	75	73	49
516	648	670	1,048	1,026	820
1,954	1,704	1,536	1,629	1,608	1,397
\$429,346	\$354,920	\$348,187	\$390,749	\$282,012	\$252,084
502	526	505	540	449	417
28	44	35	28	25	30
2	6	3	8	7	5
\$160,170	\$427,900	\$251,950	\$459,700	\$401,150	\$365,400
393	398	398	425	464	343
111	166	168	115	133	144
13	42	43	62	60	41
23	39	42	35	38	50
13	9	22	19	22	20
40	36	28	46	90	57
\$39,230	\$43,705	\$45,941	\$48,380	\$66,517	\$46,207

(continued)

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

Function/Program	2012	2011	2010	2009
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$39,798	\$40,704	\$40,128	\$35,152
Recreation Mens & Womens Leagues receipts	41,511	40,960	41,249	45,542
Senior Van Fees	2,536	2,766	2,804	2,793
Playground Registration	18,910	15,325	21,027	19,930
Ellenwood Facilities rentals	26,006	25,418	26,504	24,278
	<u>\$128,761</u>	<u>\$125,173</u>	<u>\$131,712</u>	<u>\$127,695</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$106,145	\$586,562	\$664,367	\$11,913
Basic Utility Services				
Refuse disposal per year (in tons) August through July	4,622	4,667	4,717	4,769
Refuse disposal costs per year August through July	\$696,183	\$669,194	\$715,970	\$723,149
Cost per household per month	\$12	\$12	\$13	\$13
Annual recycling tonnage (excluding leaf, and compost items)	341	388	347	379
Percentage of waste recycled	6.87%	7.68%	6.85%	7.36%
Transportation				
Street Improvements - asphalt overlay (linear feet)	0	9,650	36,900	0
Rejuvenating Spray on Streets (Miles)	0.00	0.00	0.00	0.00
Crackseal Coating Program (Miles)	7.20	7.20	7.20	70.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	4,323	3,832	3,410	4,049
Guardrail Repair (hours)	48	48	48	48
Paint Striping (hours)	1,275	808	680	1,013
Street Sweeper (hours)	511	448	808	702
Cold Patch (hours)	1,300	1,800	1,392	2,729
Snow & Ice Removal regular hours	413	946	1,558	760
Snow & Ice Removal overtime hours	929	987	1,864	855
Sewer and Sanitary calls for service	899	974	894	956
After hours Sewer Calls (hours)	296	371	331	416
Sewer Crew (hours)	2,179	2,168	2,494	3,718
Sewer jet, Vac-all, other services (hours)	2,638	3,249	2,423	1,993
Landscaping Stump-Chipper service (hours)	5,154	5,406	4,947	4,190
Leaf collection (hours)	2,024	2,083	2,313	2,424
Holiday lights setup (hours)	1,407	1,644	1,636	1,444
Downtown Square Repair after events (hours)	42	69	60	340
Equipment repair/body shop (hours)	5,383	5,734	6,391	6,945
Sign department (hours)	2,530	789	856	456
Number of Trees Planted per year	60-80	60-80	60-80	60-80
Tons of snow melting salt purchased (Nov-Mar)	3,439	5,838	5,821	5,793
Cost of salt purchased	\$126,869	\$261,845	\$261,002	\$252,186
Tons of road traction ice grits purchased	0	0	0	0
Cost of ice grits purchased	\$0	\$0	\$0	\$0
Water Department				
Water Rates per 1st 300 Cu ft of water used	\$25	\$24	\$23	\$21
Avg. number of water accounts billed monthly (Cu. Ft.)	5,004	5,005	5,003	5,008
Total Water Collections Annually (Including P&I)	\$4,643,270	\$4,021,989	\$4,341,474	\$3,954,828
Payments to Cleveland for bulk water purchases	\$2,497,967	\$2,810,055	\$3,447,605	\$2,868,742
Wastewater Department				
Wastewater Rates per 1st 300 Cu ft of water used	\$17.00	\$15.00	\$15.00	\$14.00
Total flow of wastewater treatment plant (Billions of Gallons)	0.816	0.975	0.868	0.879
Average daily flow (Millions of gallons per day)	2.231	2.910	2.379	2.407
Tons of dry sludge removed	258.56	251.70	250.40	242.73

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

2008	2007	2006	2005	2004	2003
\$39,378	\$37,950	\$37,637	\$36,687	\$27,857	\$34,556
31,948	21,666	15,513	18,962	18,979	25,217
2,268	2,175	2,403	2,593	2,955	3,056
20,509	23,410	17,833	10,750	2,390	2,210
19,857	18,723	21,050	26,274	23,237	25,792
<u>\$113,960</u>	<u>\$103,924</u>	<u>\$94,436</u>	<u>\$95,266</u>	<u>\$75,418</u>	<u>\$90,831</u>
\$461,066	\$457,011	\$1,109,423	\$269,071	\$195,472	\$551,560
5,200	5,308	5,955	5,751	5,909	5,878
\$719,902	\$509,870	\$544,013	\$490,430	\$478,351	\$462,900
\$13	\$9	\$10	\$9	\$8	\$8
439	440	514	487	599	735
7.79%	7.65%	7.95%	7.81%	9.20%	11.11%
5,200	0	0	16,400	6,650	25,100
0.00	0.00	1.15	1.15	2.26	2.66
7.20	7.20	7.20	7.20	7.20	7.20
4,180	3,577	4,508	3,941	3,844	4,663
48	48	36	40	144	16
876	960	1,439	1,668	1,012	728
831	754	760	832	1,004	975
1,868	1,248	1,924	2,419	2,492	993
730	630	316	608	760	580
1,598	1,125	473	1,807	1,349	1,581
834	845	1,002	894	869	894
1,506	1,636	1,765	1,865	1,727	1,412
3,747	3,632	3,690	3,806	3,481	3,432
2,209	1,573	3,483	411	2,226	890
6,003	5,320	5,574	5,429	4,796	5,532
2,243	2,670	2,310	2,136	2,566	2,686
1,352	1,449	1,605	1,798	1,699	1,452
340	340	682	420	420	300
6,842	5,591	7,574	7,658	6,824	6,486
1,502	1,559	1,541	1,332	2,177	2,145
60-80	60-80	60-80	60-80	60-80	60-80
1,510	6,885	6,132	6,578	6,900	7,900
\$128,362	\$269,153	\$230,080	\$218,854	\$193,980	\$225,308
1,316	0	0	0	0	0
\$21,842	\$0	\$0	\$0	\$0	\$0
\$19	\$17	\$17	\$16	\$16	\$15
4,999	5,004	4,967	4,899	4,911	4,961
\$3,532,663	\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530	\$3,126,382
\$2,637,600	\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987	\$2,544,728
\$14.00	\$13.18	\$13.18	\$13.18	\$13.18	\$13.18
0.966	0.949	1.018	1.018	1.054	1.024
2.638	2.601	2.764	2.788	2.880	2.806
228.14	233.04	266.06	214.42	205.71	199.09

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

Function/Program	2012	2011	2010	2009	2008
General Government					
Square Footage Occupied	44,035	44,035	44,035	44,035	44,035
Administrative Vehicles	2	2	2	2	3
Inspection Vehicles	3	2	3	3	3
Municipal Court Vehicles	2	2	1	1	2
Lands & Buildings Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Square Footage of Building	21,667	21,667	21,667	21,667	21,667
Vehicles	22	22	22	22	23
Fire					
Stations	1	1	1	1	1
Square Footage of Building	14,774	14,774	14,774	14,774	14,774
Vehicles	12	12	13	12	12
Recreation					
Number of Parks	4	4	4	4	4
Number of Pools	1	1	1	1	1
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	7	7	7	7	7
Number of Tot Lots	4	4	4	4	4
Number of Soccer Fields	1	1	1	1	1
Square Footage of Ellenwood Building	25,433	25,433	25,433	25,433	25,433
Vehicles	13	13	13	13	15
Other Public Works					
Streets (miles)	48	48	48	48	48
Service Vehicles	58	60	60	57	58
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	6	6	7	7
Water Department					
Water Lines (miles)	100	100	100	100	100
Vehicles	7	7	7	8	7

Source: City of Bedford

2007	2006	2005	2004	2003
44,035	44,035	44,035	44,035	44,035
2	2	2	2	1
3	3	3	3	3
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
21,667	21,667	21,667	21,667	21,667
22	20	20	20	20
1	1	1	1	1
14,774	14,774	14,774	14,774	14,774
10	10	10	10	9
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
7	7	7	7	7
4	4	4	4	4
1	1	1	1	1
25,433	25,433	25,433	25,433	25,433
14	13	13	11	11
48	48	48	48	48
55	54	55	51	49
41.80	41.80	41.80	41.80	41.80
48.70	48.70	48.70	48.70	48.70
6	6	6	6	6
100	100	100	100	100
4	4	4	4	4

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

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

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

(continued)

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

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

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

* All unlisted buildings included

** All unlisted Miscellaneous equipment included (excludes vehicles)

(1) Information prior to 2005 is not available

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

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

Vehicle/Program	Current Replacement Costs	2011	2010	2009	2008
Police					
Cost Per Patrol Car	\$0	\$25,472	\$22,509	\$26,613	\$22,463
Fire					
Cost Per Fire Pumper (1)	0	0	0	0	0
Cost Per Ambulance	0	210,878	0	0	0
Service					
Cost Per Vac All (2)	0	0	0	0	0
Cost Per Street Sweeper	0	0	0	0	0
Cost Per Salt Truck	0	0	0	0	105,622
Cost Per Water Utility Truck	0	0	0	41,021	0
Loader	0	125,017	0	0	0
2500 HD Chevy 4X4 Pick up	0	23,875	0	0	0
Dump Truck	0	100,527	0	0	0
Road Construction					
Ohio Department of Transportation Construction Cost Composite Index (3)	155.2	146.5	146.5	140.2	151.9

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.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$24,461	\$23,941	\$24,521	\$24,212	\$24,540
441,564	0	0	0	0
167,192	0	155,711	0	0
275,000	0	0	0	0
115,000	0	0	0	106,225
110,000	0	81,361	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
141.4	126.1	127	112	101.4

City of Bedford, Ohio

Water Utility Statistics

Last Ten Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gallons of Water Purchased from Cleveland	79,091.76	98,281.42	110,165.44	96,955.60
Gallons of Water Sold (Billed) to Users	64,457.77	61,514.58	64,072.93	62,823.09
Percent of Water Billed	81.50%	62.59%	58.16%	64.80%
Water Billings	\$4,615,802	\$3,949,865	\$4,288,675	\$3,896,479
Water Collections	\$4,643,270	\$4,381,620	\$4,341,474	\$3,954,828
Percentage Collected from Billings	100.60%	110.93%	101.23%	101.50%
Payments to City of Cleveland	\$2,497,967	\$2,810,055	\$3,447,605	\$2,868,742
Percentage of payments to the City of Cleveland compared to total water collections	53.80%	64.13%	79.41%	72.54%

Source: City of Bedford Water Department

2008	2007	2006	2005	2004	2003
95,405.00	95,465.00	89,658.00	102,694.70	101,437.20	106,665.40
65,901.00	69,612.00	67,949.50	75,840.80	71,942.10	75,071.30
69.07%	72.92%	75.79%	73.85%	70.92%	70.38%
\$3,632,402	\$3,422,229	\$2,932,256	\$3,369,868	\$3,080,348	\$3,083,091
\$3,532,663	\$3,445,995	\$2,987,122	\$3,392,654	\$3,117,530	\$3,126,382
97.25%	100.69%	101.87%	100.68%	101.21%	101.40%
\$2,637,600	\$2,506,466	\$2,295,957	\$2,546,858	\$2,499,987	\$2,554,728
74.66%	72.74%	76.86%	75.07%	80.19%	81.72%

**Independent Auditor's 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, 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2013, wherein we noted the City adopted GASB Statement No. 63 and 65 as disclosed in Note 19.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Members of the City Council
Bedford, Ohio

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cini & Parichi, Inc.

Cleveland, Ohio
June 14, 2013



Dave Yost • Auditor of State

CITY OF BEDFORD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 20, 2013**