

CITY OF BEDFORD, OHIO



COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

For The Year Ended
December 31, 2017



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 Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 5, 2018

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Cover picture: New Architects Rendering of The New Mazda Dealership facility, to be located on a 12 acre site, at the corners of Northfield Road and Rockside Road, within the City of Bedford.

The Bedford Mazda Dealership opened its doors in Bedford in November 1972. We added other lines over time such as Fiat, Lancia, Saab, Daewoo and Lotus until today we stand are now a standalone Mazda dealer. This Mazda dealer in the State of Ohio, sold more Mazda's than any other Mazda dealer in Ohio. We were the Largest Mazda dealer in the Great Lakes region for many years from 1972 and 2000. Today this dealer is in the top 15 dealerships in the Midwest Region.

The dealership will move to the new location as construction is to start this summer of 2018. The new store's doors are expected to open in the spring of 2019 and will also have room for another store in the future. The Mazda store is employee owned, and operated, and currently has three employees with tenure longer than 45 years; around 25% of our employees have been employed more than 20 years.

Currently they hold the "Mazda Gold Cup" status earned for excellent customer satisfaction



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**City of
Bedford, Ohio**

TITLE
PAGE

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the Fiscal year ended December 31, 2017

Prepared by:

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I NTRODUCTORY S ECTION





City of BEDFORD, Ohio

City of Bedford, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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CITY OF BEDFORD OHIO

June 6, 2018

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

We are presenting to you the City of Bedford's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file 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, 2017 is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data, is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The firm of Julian and Grube, Inc., has issued an unmodified ("clean") opinion on the City of Bedford's financial statements for the year ended December 31, 2017. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

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www.bedfordoh.gov

The Bedford City School District, Bedford Community Development Corporation, and the (Greater 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 Southeast Regional Council of Governments is a tax exempt independent Council of Governments (COG) with legislative oversight that was provided by the Mayors of Maple Heights, Bedford Heights, Garfield Heights and the City Manager of the City of Bedford over the “Southeast Emergency Communications Center” (SECC). The City of Bedford withdrew participation from the SECC as of July 31, 2017. The City of Bedford joined the Chagrin Valley Regional Dispatch Center (CVRDC) on August 1, 2017. The Chagrin Valley Regional Dispatch Center is comprised of 21 communities and is administered in a similar manner as the SECC to foster cooperation through the saring of operations of a central dispatch center for safety forces of the participating entities.

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, school guards and community service programs such as drug use prevention and the juvenile diversion program. While promoting regionalism, in 2017 the animal control services also included the neighboring City of Bedford Heights. The Police Department is located adjacent to City Hall. The City formed a Regional Council of Governments between Bedford, Bedford Heights, Garfield Heights, and Maple Heights to provide 911 dispatch services. The operations of the dispatch center were provided by the Southeast Emergency Communications Center (SECC) through August 1, 2017 when the City joined the Chagrin Valley Regional Dispatch Center (CVRDC). Most of the equipment and communication costs of the SECC were 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 Cleveland 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 Business Development Liaison 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 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, personnel issues, 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 7,146 resident returns, 2,762 business net profits returns and the collection from 1,089 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. Depending upon any grant programs, costs may be incurred to qualifying residents.

Business Incentives and creating Economic Development:

Footnote 20 titled “Tax Abatement Disclosures” are a requirement in our CAFR, based upon GASB Statement No. 77. This footnote disclosure focuses on lost tax dollars and the costs to government entities. The following will reveal the benefits derived from offering business incentives.

The City of Bedford allows tax incentives under four programs: the Enterprise Zone tax abatements (EZA), the Community Reinvestment Area (CRA), the Economic Development Job Creation and Retention Program, and non-tax revenue moving expenses. The EZA’s program has not been utilized in many years as its function is now limited to benefit businesses from abatement of real estate taxes. The CRA program performs the same function and is utilized instead. Only two of these programs effect public tax dollars the CRA incentives and the Economic Development Job Creation and Retention Program; therefore these are the only disclosed programs in Footnote 20.

All City business incentives start the above abatement processes with an application process from the business declaring their commitments of building improvements and/or job creation by moving their business into the City. Thereby, the business will improve an existing building or constructing a new building(s) to accommodate their new increased manufacturing, professional or retail establishment’s personnel and equipment. The City, after reviewing the applications, will accept, amend, or deny the business request based upon the criteria (minimum return on investment criteria) as stated in Footnote 20. Thus, a complete cost/benefit analysis is performed by the administration before making a decision on the businesses incentive request. The City makes public any decision to allow any incentives through an ordinance approved by City Council. When an agreement requires the City to have a Bedford City School District (BCSD) tax sharing agreement under section 5709.82 of the Ohio Revised Code, the City will enter into an agreement with the BCSD.

The City will budget in the corresponding years, any increases in municipal income tax revenue generated from the newly created jobs, and incorporate any increased real estate valuation taxes (non-abated taxes) into the budget as well.

The Cuyahoga County Appraisal Department under the County Fiscal Officer, assigns taxable values to new or improved commercial property improvements. This new or improvement valuation is used in conjunction with a contract between the City and the business to establish the dollar amount of abated valuation associated with the new construction and/or improvements.

Monitoring incentives:

The City of Bedford (Finance Director) is required by statute, to file online annually, by March 31st, all abatement information with the State of Ohio. This applies to each individual abatement contract and overall statistics of the EZA and CRA program related to the abatements granted. Information such as number of jobs created, retained employment, the amount of payroll related to increased jobs, real estate improvement dollars invested, income tax dollars generated from each and overall contracts.

The City of Bedford pursuant to various sections (5709 and 3735) under the Ohio Revised Code, established a Housing Council. This Housing Council consists of seven members: two are appointed by the Mayor, one member is appointed by the Planning Commission, two members are appointed by City Council and two are appointed from the other members of the Housing Council. They serve four year terms. Their purpose is to

look at the property conditions of the businesses or residential properties that have been offered EZA or CRA incentives. Based upon the condition of the properties, they can recommend to the TIRC (see below) to continue, modify or deny the incentives. Annually, the Building Commissioner takes pictures of the properties for the Housing Council’s review. To date, all properties have been in good condition.

The City is also required to submit to a review of all CRA and EZA Contract agreements with the Tax Incentive Review Council (TIRC) annually in August. The TIRC is organized by Section 5709.85 (A) (1) of the Ohio Revised Code consisting of 7 members: one legislative appointee, one County Auditor (Fiscal Officer) appointee, one member of the Board of Education, the Chief Financial Officer of the City, and two members of the public appointed by the Chief Executive Officer with concurrence of the legislative authority (City Council), with at least four members being residents of the City. The TIRC reviews the State of Ohio CRA/EZA form C’s of each corresponding business incentive and votes to continue, request modification of the current agreement, decide that the business is non-compliant with their contract requirements, or if appropriate, let the incentives expire.

The TIRC presents its recommendations to the Bedford City Council at a public meeting and, by resolution, can accept, modify or reject the recommendations of the TIRC. City Council reserves the right to terminate abatements and incentives when businesses are not in compliance. City Council’s Goals and strategic plan as they review/and or approve these incentives and recommendations are to maintain Bedford’s competitiveness as a site for location of new businesses and the expansion of existing businesses, create and retain jobs, and increase real estate values, for tax purposes. The economic effect of these incentives are immediate when increasing jobs as municipal income taxes increase, however, for the most part the positive economic effects from collection of real estate taxes, will be in the future.

The following is a 5-year depiction of the dollar amounts The City of Bedford has and will realize from increased taxes afforded from business incentives:

CRA Agreement's - Real Estate Taxes:

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| Retail Establishments | \$24,122 | \$43,574 | \$43,574 | \$43,574 | \$43,574 |
| Manufacturing | 216,315 | 216,315 | 216,315 | 216,315 | 216,315 |
| Professional Buildings | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 |
| Total | <u>\$246,424</u> | <u>\$265,876</u> | <u>\$265,876</u> | <u>\$265,876</u> | <u>\$265,876</u> |

CRA, Economic Development Job Creation and Retention Program and Moving Expenses -
*** Annual Municipal Income Tax Increases in relation to newly created jobs:**

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Retail Establishments | \$344,304 | \$505,469 | \$522,878 | \$540,917 | \$559,612 |
| Manufacturing | 429,269 | 765,809 | 794,950 | 825,221 | 856,668 |
| Professional Buildings | 462,763 | 822,689 | 850,694 | 879,721 | 909,809 |
| Total | <u>\$1,236,336</u> | <u>\$2,093,967</u> | <u>\$2,168,522</u> | <u>\$2,245,859</u> | <u>\$2,326,089</u> |

The total increases in revenue expected annually from business incentives, are obtained by adding both schedule subtotals.

Number of jobs created and projected from all programs noted above:

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Retail Establishments | 364 | 369 | 374 | 376 | 376 |
| Manufacturing | 318 | 351 | 411 | 471 | 521 |
| Professional Buildings | <u>457</u> | <u>465</u> | <u>465</u> | <u>465</u> | <u>465</u> |
| Total | <u><u>1,139</u></u> | <u><u>1,185</u></u> | <u><u>1,250</u></u> | <u><u>1,312</u></u> | <u><u>1,362</u></u> |

Jobs Created Schedule projections were based upon State of Ohio CRA forms filed and business incentive application projections.

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.

Art of Beauty a company located in the Tinkers Creek Commerce Park Development, added \$6.1 million in real estate improvements to the property, and transferred 45 employees immediately to the site and is expected to create 50 more jobs within 6 years per their community reinvestment area agreement (CRA).

The Hemisphere Corporation and Hull & Associates completed construction building a new headquarters on this site at a cost of \$3.2 million and additionally added \$600,000 in furniture and fixtures.

The City, on December 21, 2015 updated the CRA abatement agreement contract with Hemisphere Development, LLC and Hull and Associates, Inc. Within a period not to exceed 8 years from this agreement to retain 30 existing jobs at the project site and create 3 new full time jobs. Current annual payroll retained of both companies is over 1.7 million dollars and the three jobs are estimated to create an additional \$18,000 in additional payroll.

Ben Venue Laboratories/West-Ward/Xellia Pharmaceuticals

From 1996 to present, Ben Venue approached the City for abatements in the Community Reinvestment area, regarding Real Estate development and tax exemptions to be able to conduct various expansion projects. Ben Venue stopped production of all products within the 1 million square foot of manufacturing area at the end of 2013.

The City's worked with the new purchaser of this facility, West-Ward Pharmaceuticals a company that is utilizing the Lab Office Building complex for the research and development. At the year- end 2017, West-Ward pharmaceuticals had 69 employees on site. West-Ward pharmaceuticals sold four of the buildings to Xellia Pharmaceuticals late in 2015, with the assistance from the State of Ohio offering business incentives.

Xellia in 2017, completed construction on the facilities to allow distribution of products and is expected to start distributing products in 2018 and hire up to 170 employees by year-end 2018.

The Penske Auto Group Improvements

As stated by the Penske Auto Group administration:

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

The Penske Auto Group made improvements at the Audi Dealership in the amount of \$14,039,359 and now has 83 jobs on this site. The level of real estate investment on the Toyota site was \$9,936,797 and now has 118 employees on this site at year end.

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

When Subaru relocated from its current location at 240 Broadway, the existing building became a Certified Used Vehicle Sales and Service Center for Ganley Volkswagen of Bedford. In 2017, this facility was renovated to become Ganley Alfa Romeo Fiat. Construction costs were approximately \$1.0 million.

In 2015 and 2016, Ganley Real Estate Co. purchased additional parcels across from the Ganley Chrysler Dodge Jeep Ram facility for additional new and used vehicle storage. Total acquisition costs were approximately \$500,000.

The above projects will expand employment in Bedford over the next several years by 30 to 40 additional full-time employees.

The Ganley Real Estate Co. finished constructing a new approximately 34,000 square foot (\$4.4 million) building and expanded its Volkswagen operations in 2007. The company purchased \$1,050,000 in new machinery and equipment, \$75,000 in furniture & fixtures and \$5,856,514 in new inventory. Almost \$1 million was invested in a retaining wall to solidify the land behind the development in addition to the building improvements. The total investment was more than \$6 million. Equipment being transferred from another city was total \$600,000.

The Ganley Real Estate Co., owning both Volkswagen and Subaru created 57 and 53 new jobs respectively and retained the 42 jobs already existing in Ohio for an additional payroll of \$5.1 million to the City.

The Ganley Real Estate Co. finished constructing in 2007, a new approximately 8,100 square foot building to expand its Subaru operations (the previously occupied building). The company invested approximately \$4 million in buildings and service center, site work, new machinery and equipment, furniture and fixtures and inventories. The company created 57 new jobs and created an additional payroll of \$3.1 million. The City utilized our jobs creation program in lieu of abatement affecting the school district as an incentive to do business in the City. The City granted 6 years of non-tax dollar incentives based upon the payroll amount and income taxes paid reported at year-end.

Major Initiatives

The City, in 2016, issued five-year (5) general obligation bonds in the amount of \$1,400,000 through Huntington Bank at 2.10 percent interest rate. These bonds were issued to pay for the replacement of residential and some commercial water meters installed in 2016 and 2017.

Various waste water improvements were completed in 2016. The wastewater plant improvement projects borrowed for in 2013 were completed in 2016 and 2017.

The City refunded the 2006 General Obligation Bonds through Key Bank at an interest rate of 2.18 percent from June 1, 2017 through December 1, 2026 on September 6, 2016. The net present value savings from this issue was \$546,651. The cash flow savings from this refunding is \$613,018.

The Mazda SAAB of Bedford (Partners Automotive Group of Bedford) is planning to expand and relocate their Mazda SAAB store and obtain a new Franchise Mitsubishi, Whereby, both franchises, will have new stores at the corner of Northfield and Rockside Roads. Construction of the new building will approximate \$3.8 million, with a total investment of \$12.7 million including inventory and other property improvements.

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

The City placed Issue #1 on the May 2, 2017 ballot. The issue was successfully passed by the voters and raises the municipal income tax rate from 2.25 percent to 3 percent with a credit increase cap from 1.5 percent to 2.25 percent. This income tax increase is projected to generate additional income tax revenues in the general fund by \$1.9 million in 2018 and \$2.5 million in 2019. This increase will allow the City to hire additional police officers as well as starting a street resurfacing and sidewalk program. The increase is anticipated to generate \$1.9 million more in 2018 and \$2.5 million more in 2019 towards general fund operations, capital improvements and increased police security.

The City is facing continued significant cuts in revenue passed through from the State of Ohio. This included three of the City's larger revenue sources: Inheritance (Estate) taxes was no longer be collected as of January 1, 2013 and costs the City \$499,380 per year. The local government fund was reduced 50 percent after 2012 and thereafter. This led to a loss of revenue in the amount of \$442,000 thereafter. Finally, the last loss of revenue from the personal property and the CAT were eliminated starting in 2012 at a reduction of revenue totaling \$463,997 per year. These cuts from the State required the City to make an additional \$1,620,000 in adjustments to its current and future budgets.

In 2015, the City's income tax revenue collections were effected from the closing of the City's largest taxpayer, Ben Venue Laboratories in the amount of 2 million dollars in withholding taxes. The City's lack of this revenue versus expenditures in 2015 resulted a \$1.94 million shortfall in 2015. The shortfall for 2016 was reduced to \$683,762 due to the implementation of a refuse fee of \$14 per household creating a reduction of expenses in the general fund of \$671,048 per year along with reductions in spending.

Various types of grants received in 2017:

- The City was awarded grants in 2017 from the U.S. Department of Justice for the continuation of the South East Area Law Enforcement narcotics program the total amount of grant funds received in 2017 was \$180,529. The program utilizes grant funding, matching funds, program income of confiscated funding and Federal stimulus money to continue the program. This program assists the police monetarily in their efforts to arrest those that sell or use illegal drugs. This program has led to various arrests and items have been confiscated including currency. This year's confiscated dollars were \$222,969 in 2017 and \$110,544 in 2016.
- The Fire department was awarded a FEMA SAFER Grant 2014-2015 in the amount of \$607,999, for two years and it will pay for three fire fighters. The City received \$284,632 from this grant in 2016 and \$274,232 in 2017. This addition of employees will allow the Fire department to operate temporarily two ambulance squads at times, instead of one.

Other projects:

- The street lighting rate of millage was increased in the 2017 tax budget for collection in 2018 to 1.6 mills due to decreases in valuation of City property. Cuyahoga County performed its six-year reappraisal of industry and residential property values in 2015. Due to the economy and housing foreclosure problems, the County estimated that the collections on real estate taxes for tax year 2017 would have a delinquency rate of at least 3.5 percent. Actual collections were better as stated below.

Estimated real estate collections in (000's) for the general fund were as follows:

General Fund estimated Real Estate Collections (000's)

| | <u>At 100 Percent</u> | <u>Estimated</u> | <u>Actual</u> |
|-----------------------------|-----------------------|------------------|---------------|
| 2009 for Collection in 2010 | \$2.573 | \$2.414 | \$2.487 |
| 2010 for Collection in 2011 | 2.523 | 2.381 | 2.462 |
| 2011 for Collection in 2012 | 2.521 | 2.280 | 2.182 |
| 2012 for Collection in 2013 | 2.000 | 2.000 | 2.200 |
| 2013 for Collection in 2014 | 2.216 | 2.073 | 2.118 |
| 2014 for Collection in 2015 | 2.238 | 2.081 | 2.113 |
| 2015 for Collection in 2016 | 2.116 | 1.904 | 1.899 |
| 2016 for Collection in 2017 | 2.075 | 1.928 | 2.025 |
| 2017 for Collection in 2018 | 2.126 | 2.052 | |

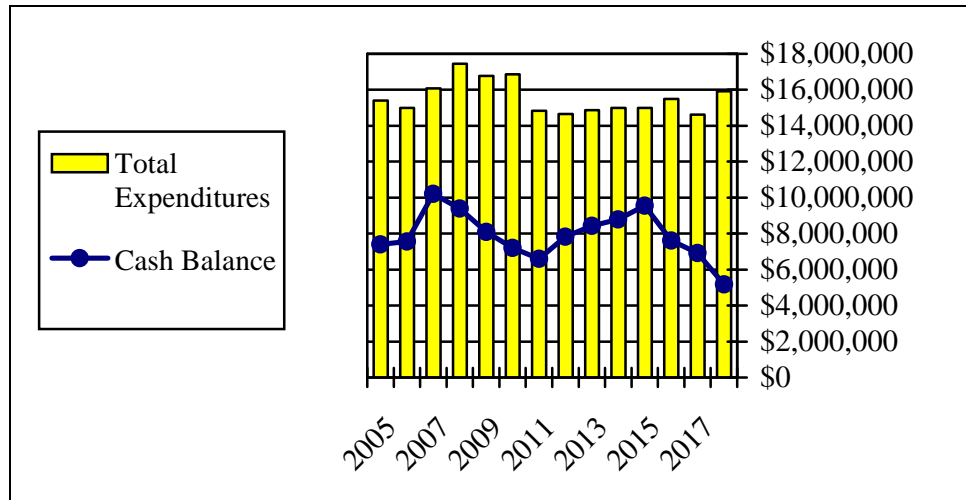
The Tax Department utilized the innovation award winning on-line income tax preparation system for the past thirteen years throughout the 2017 tax season. Taxpayers and professional tax preparers were able to complete accurate returns with software that simplified the preparation process. The users of 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 1,961 ambulance runs in the year 2017 and 1,944 in 2016. The ambulance runs generated reimbursement revenue in the total amount of \$417,404 in 2017, and \$423,967 in 2016. The City pays a 7 percent administrative billing fee to Great Lakes Billing Company on an annual basis.

Financial Information

Long-term financial planning

As you can see from the following graph, the general fund ended the 2017 year with a cash balance of over \$5 million. The 2017 ending operating cash balance represented over 34 percent of the total general fund (GF) expenditures or 124 days of general fund operating expenditures and transfers. This cash balance falls below the City's general fund balance written policy and the rating agencies expectation of maintaining a minimum required balance of \$5.8 million dollars in the general fund.



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

Accounting Policies and Budgetary Control

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

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

The annual budget serves as the foundation for the City of Bedford's financial planning and control. The level of budgetary control is at the department level. All non-fiduciary funds are budgeted annually. The City also controls its expenditures at levels of personal services and all other expenditures as required by the City's Charter. The City did have amendments to the original appropriations ordinance to account for fewer funds and increased grants received during 2017.

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.

Some major budgetary initiatives that had a significant impact on the current financial statements:

- Reduced funding from the State revenue sources (inheritance taxes, local government funding) and slight reductions in valuation from real estate sales caused the City to reduce spending on capital items such as police cruisers and service department equipment (pickup truck and other trucks) needed for operations.
- Implementing a refuse collection fee and increases in all other fees
- Decreased spending on Workers Compensation from retrospective rating savings in 2016 and 2017,
- Three firemedic employees for half a year, under Safer Grant funding.
- Reduced estimates for income tax collections due to non-production of goods and no employees remaining from Ben Venue. Also accounted for 69 new employees from West-Ward Pharmaceuticals, 157 new employees at Xellia Pharmaceuticals and 45 jobs from Art of Beauty.

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 reserve fund was set at \$5.8 million. Recognizing the City would dip below this figure in 2017 and 2018, the City Administration placed an income tax increase on the ballot to 3 percent with a corresponding increase in the tax credit paid to other entities of 2.25 percent. The general fund balance as stated earlier, represents over 34 percent fund balance to operating expenditures ratio. The \$5.4 million cash balance available and the increase of \$1.9 million per year in the general fund, from income tax increases, is to cover any future negative impacts.

Debt Policy

The City has a debt policy, which has been utilized recently and analyzed yearly.

In 2016, the City refunded the 2006 General Obligation Bonds through Key Bank at an interest rate of 2.18 percent from June 1, 2017 through December 1, 2026 on September 6, 2016. The Net Present Value Savings from this issue was \$546,651. The cash flow savings from this refunding is \$613,018.

On February 15, 2017 Moody's Financial Services, downgraded the City's ratings from AA3 to A1. This was issued prior to the City placing the .75 percent income tax increase on the ballot on May 2, 2017, where positive financial results are expected immediately. Standard & Poor's rating of the City's long-term underlying (SPUR) remains at AA-.

The City issued and bid out a 5 year, \$1.4 million privately placed bond issue, for the replacement of water meters in 2016. Huntington Bank was the winning bid with a fixed rate of 2.10 percent. The City's Bond Rating was reviewed shortly in February of 2016, after the bond issue by Standard & Poor's Rating Services and the outcome was to lower the City's long-term rating and underlying (SPUR) rating to AA- from AA on the City's general obligation bonds.

In 2014, the City issued \$2,900,000 General Obligation Various purpose Refunding Bonds, Series 2014, to refund the City's outstanding Build America Bonds. The City received Aa3 and AA ratings from Moody's and Standard and Poor's, respectfully. The Moody's rating was a result of a downgrade. The present value savings as a percent of refunded bonds (assuming a reduced interest subsidy from the Federal Government, 32.48 percent of interest due) is 2.22 percent, and a full subsidy would be a present value savings of 0.73 percent.

Original issue premiums were obtained in the amount of \$168,913 with no original issue discounts. The true interest costs were 3.16 percent while the net interest cost was 3.29 percent. The all-in true interest cost was 3.34 percent, while the net present value savings was \$65,768.

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 2017 was \$86,161, \$58,552 in 2016, \$56,884 in 2015 and \$42,732 in 2014.

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 Note 5 to the financial statements for risk analysis and details of investments.

Independent Audit

In accordance with Ohio law an annual independent audit is required to be performed on all financial operations of the City. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. The Auditing Firm of Julian and Grube, Inc. performed these services for 2017 and an unmodified opinion is presented in the financial section.

Certificate of Achievement

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

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

A Certificate of Achievement is valid for a period of one year only. The 2016 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 2017 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 Jennifer Howland and the employees of the Local Government Services Section of the Auditor of State, which contributed significantly to the preparation of this report. Finally, the City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

Postscript

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

Respectfully submitted,



Frank C. Gambosi, CPA
Finance Director



Michael S. Mallis
City Manager

City of Bedford, Ohio
List of Principal Officials
December 31, 2017

Elected Officials

| | |
|----------------------|---------------------|
| Mayor..... | Stanley Koci |
| Vice Mayor | Paula Mizensak |
| Council Member | Marilyn B. Zolata * |
| Council Member | Donald A. Saunders |
| Council Member | Walter Genutis |
| Council Member | Gregory E. Pozar ** |
| Council Member | Sandy Spinks |
| Presiding Judge..... | Brian J. Melling |

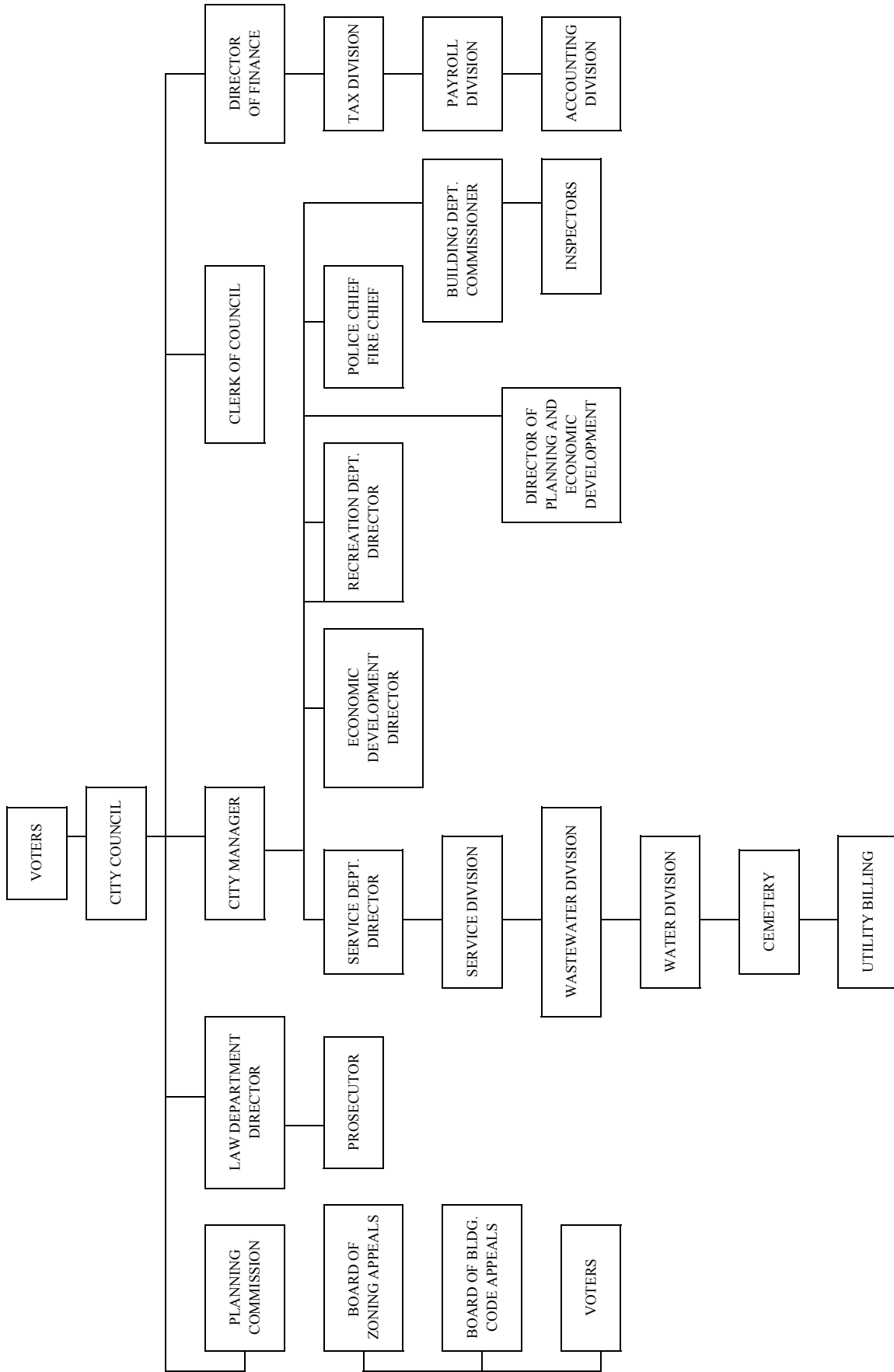
Appointed Officials

| | |
|--|-------------------|
| City Manager | Michael S. Mallis |
| Director of Finance | Frank C. Gambosi |
| Law Director | John Montello |
| Clerk of Council..... | Lorree Villers |
| Director of Economic and Community Development..... | Michael S. Mallis |
| Building Commissioner..... | Calvin Beverly |
| Service Director | Clint E. Bellar |
| Superintendent of Public Works | Shawn Francis |
| Chief of Fire..... | David V. Nagy |
| Police Chief..... | Martin Stemple |
| Director of Recreation | Erin Fach |

* Victor Fluharty took office on January 1, 2018.

** Heather Rhoades took office on January 1, 2018.

**ORGANIZATIONAL CHART
CITY OF BEDFORD, OHIO**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bedford
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

F INANCIAL

S ECTION





City of **BEDFORD**, Ohio



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Bedford's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Public Safety Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2018, on our consideration of the City of Bedford's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bedford's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 6, 2018



City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the current year by \$28,612,710 compared to \$30,192,727 at the end of 2016. These figures were reported pursuant to GASB 68 and 71 which includes a Net Pension Liability of \$25,585,716 in 2017 and \$22,495,132 in 2016. If these long-term transactions were not included in the financial statements the effect would have been to have a larger overall unrestricted net position of an additional \$19,905,940 in 2017 and 18,186,337 in 2016. Also the same could be said, with a greater effect on the financial statements, for the governmental activities (\$11,854,714) in 2017 and (\$8,611,530) in 2016. Without the GASB 68 and 71 Net Pension Liability transactions, these amounts would have been a positive \$6,792,595 in 2017 and \$8,550,902 in 2016, which may have been 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.
- The City of Bedford placed an income tax rate and credit allowance increase issue on the ballot May 2, 2017 (ISSUE 1). The increase and credit allowance was increased by .75 percent. The rates will increase as follows: the current tax rate in 2017 is 2.25 percent with a 100 percent credit allowance paid to another municipality up to 1.50 percent. The new rate starting January 1, 2018 will be 3.0 percent with a 100 percent credit allowance paid to another municipality up to 2.25 percent. This issue passed by a vote of 81 percent for the tax increase. This increase will allow the City to hire three additional police officers as well start a street resurfacing program and sidewalk program totaling \$400,000 per year. The increase is anticipated to generate \$1.9 million more in 2018, and \$2.5 million in 2019 towards the general fund operations, capital improvements and increased police security.
- Capital assets (depreciable) of governmental activities decreased by \$1,310,324, which represents a 5.13 percent decrease from 2016. Capital assets (depreciable) of business-type activities increased \$169,258, which represents a 0.86 percent increase from 2016. Overall capital assets decreased due to current year acquisitions being less than current year depreciation. The income tax increase allows more infrastructure improvements and capital asset replacement in the future.
- Total governmental assets decreased due to more depreciation expense versus additions to capital asset replacements funds, Income tax collection delinquencies increased coupled with increased collection efforts attributed to the decrease in income taxes receivable. The major decrease in equity in pooled cash and cash equivalents was due to the effects still felt from closing of Ben Venue Laboratories, State of Ohio cuts in local government funding (\$1.5 million per year) and the closing of the Wal-Mart store. The decrease in special assessment receivables was due to the write off of assessment receivables as various properties were turned over to the Cuyahoga County Land Bank and assessments were removed from collection. The refuse fee assessed to each household for the delinquent collections of waste appears on the tax duplicate starting in 2016. The real estate refuse collection delinquency rate for 2017 was 3.5 percent which was a sharp contrast to the delinquency rate approaching 7 percent for 2016 collections. This attributed to more collections from the County on the refuse fee special assessment receivables. The fee is \$14 per unit and the City pays for collection of waste up to 3 units.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

- Total liabilities of governmental activities increased over 2016. This was mostly due to an increase in the long-term liability of the Net Pension Liability required by GASB 68 and 71. Otherwise, between the other amounts of long-term liabilities, specifically debt service due in more than one year from refunding and debt payments, long-term liabilities due within one year and the current liabilities, the total liabilities would have decreased by \$1,034,949. There was an increase in long-term payables which was due to the pension liability added due to GASB 68 and 71 payable to the State of Ohio's Public Employees Retirement system and the Ohio Police & Fire Pension system. The business-type activities total liabilities decreased due to debt service payments made in the current year, more than the increased amount from pension long-term obligations. Current liabilities decreased during the current year due to less accounts payable (water invoice amounts due at year end and decreases in wastewater projects costs).
- The total municipal income tax and general property tax revenues for all funds in 2017 decreased. The income tax reductions were due the City's largest taxpayer, Ben Venue Laboratories and Wal-Mart Store closings. The City countered this loss with the passage of Issue 1 stated earlier. Operating grants and contributions decreased due to the end of the Safer Grant funding. Charges for services increased due to the collection of the refuse fee.
- 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 2017 increased over 2016. Wage negotiations allowed for a wage freeze in 2017. The negotiations during 2017-2018 have required the increase in wages of 1 percent in 2018 (27 pay periods), and 2.5 percent increases for 2019 and in 2020, for all non-union employees, AFSCME, police and fire employees. There were more general government administrative employees as municipal court expenses increased. Other factors were: The City's Police department hired staff to replace retirees. Debt payments were the same however, less interest expense occurred as principal payments increased.
- On February 15, 2017 Moody's Investor's Services downgraded the City of Bedford prematurely before the income tax issue was placed on the ballot May 2, 2017. The City of Bedford's assigned rating was Aa3 and now is A1. In 2016, the rating agency of Standard & Poor's downgraded the City's bond rating from the AA level with a negative outlook to a rating of AA-.
- The City implemented GASB 68 and GASB 71 in 2015, which establish standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City. The City has reported these liabilities to comply with the requirements of GASB 68 and 71.

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

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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.

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 schedule (non-GAAP basis) has been provided as supplementary information for each governmental and proprietary fund to demonstrate budgetary compliance.

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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.

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.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes provide a supplement to the financial statements.

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.

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 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position and the changes in that position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

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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 2017 compared to 2016.

(Table 1)
Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Assets | | | | | | |
| Current and Other Assets | \$20,785,676 | \$21,946,765 | \$11,488,900 | \$10,866,798 | \$32,274,576 | \$32,813,563 |
| Capital Assets, Net | 24,230,949 | 25,541,273 | 19,760,197 | 19,590,939 | 43,991,146 | 45,132,212 |
| <i>Total Assets</i> | <u>45,016,625</u> | <u>47,488,038</u> | <u>31,249,097</u> | <u>30,457,737</u> | <u>76,265,722</u> | <u>77,945,775</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Charge on Refunding Pension | 290,581 | 346,572 | 19,172 | 23,567 | 309,753 | 370,139 |
| | 6,706,951 | 5,905,736 | 743,969 | 583,372 | 7,450,920 | 6,489,108 |
| <i>Total Deferred Outflows of Resources</i> | <u>6,997,532</u> | <u>6,252,308</u> | <u>763,141</u> | <u>606,939</u> | <u>7,760,673</u> | <u>6,859,247</u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | 2,919,128 | 3,011,699 | 260,438 | 284,730 | 3,179,566 | 3,296,429 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 1,833,800 | 1,684,410 | 891,360 | 925,155 | 2,725,160 | 2,609,565 |
| Due in More than One Year | | | | | | |
| Net Pension Liability | 23,644,237 | 20,961,660 | 1,941,479 | 1,533,472 | 25,585,716 | 22,495,132 |
| Other Amounts | 8,364,500 | 9,456,268 | 9,243,847 | 10,141,127 | 17,608,347 | 19,597,395 |
| <i>Total Liabilities</i> | <u>36,761,665</u> | <u>35,114,037</u> | <u>12,337,124</u> | <u>12,884,484</u> | <u>49,098,789</u> | <u>47,998,521</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 4,543,752 | 4,433,461 | 0 | 0 | 4,543,752 | 4,433,461 |
| Pension | 1,710,023 | 2,106,508 | 61,121 | 73,805 | 1,771,144 | 2,180,313 |
| <i>Total Deferred Inflows of Resources</i> | <u>6,253,775</u> | <u>6,539,969</u> | <u>61,121</u> | <u>73,805</u> | <u>6,314,896</u> | <u>6,613,774</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 16,136,358 | 16,509,741 | 9,685,268 | 8,586,175 | 25,821,626 | 25,095,916 |
| Restricted: | | | | | | |
| Capital Projects | 138,626 | 33,451 | 0 | 0 | 138,626 | 33,451 |
| Debt Service | 227,991 | 202,409 | 0 | 0 | 227,991 | 202,409 |
| Other Purposes | 4,350,456 | 3,952,269 | 0 | 0 | 4,350,456 | 3,952,269 |
| Unrestricted (Deficit) | (11,854,714) | (8,611,530) | 9,928,725 | 9,520,212 | (1,925,989) | 908,682 |
| <i>Total Net Position</i> | <u>\$8,998,717</u> | <u>\$12,086,340</u> | <u>\$19,613,993</u> | <u>\$18,106,387</u> | <u>\$28,612,710</u> | <u>\$30,192,727</u> |

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service;
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

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 \$28,612,710 in 2017 and \$30,192,727 at December 31, 2016.

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The largest portion of the City's net position 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 are 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 from 2016 to 2017, while the City's total governmental liabilities increased. The most significant changes in total assets were the decreases in net capital assets, assets held for resale and income taxes receivable. There are no assets held for resale in 2017 due to the City selling the remaining homes it owned. Another item affecting the total assets was the accumulated depreciation on assets which reduced capital assets in 2017.

Most of the decrease in the net position (unrestricted account) is due to the long-term pension figures pursuant to GASB 68 and 71 as stated earlier. Other factors include decreases in net capital assets and the Ohio legislature's mindset to change the tax structure of the State and thus affecting their payments to local governments and the elimination of the inheritance tax as of January 1, 2013. These changes have had a negative effect on the revenue stream in the City. These changes in taxation lead to a total loss of inheritance tax revenue which started with 2014. The largest year for collection of inheritance tax was in 1999 in the total amount of \$512,303.

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 four years through 2010. Thereafter, the State budget eliminated the CAT tax revenues. The largest amount collected in one year from personal property tax was in 2005 when the City received \$463,997.

The State of Ohio reduced the local government funds to cities at 25 percent in 2011-2012 and 50 percent in 2012-2013. These cuts resulted in the City receiving just \$297,757 in 2017. These losses will remain per year thereafter unless more funds are collected or the State of Ohio changes the funding amounts. The largest amount collected in one year from the local government funds was in 2005 when the City received \$778,196.

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 2017 and 2016.

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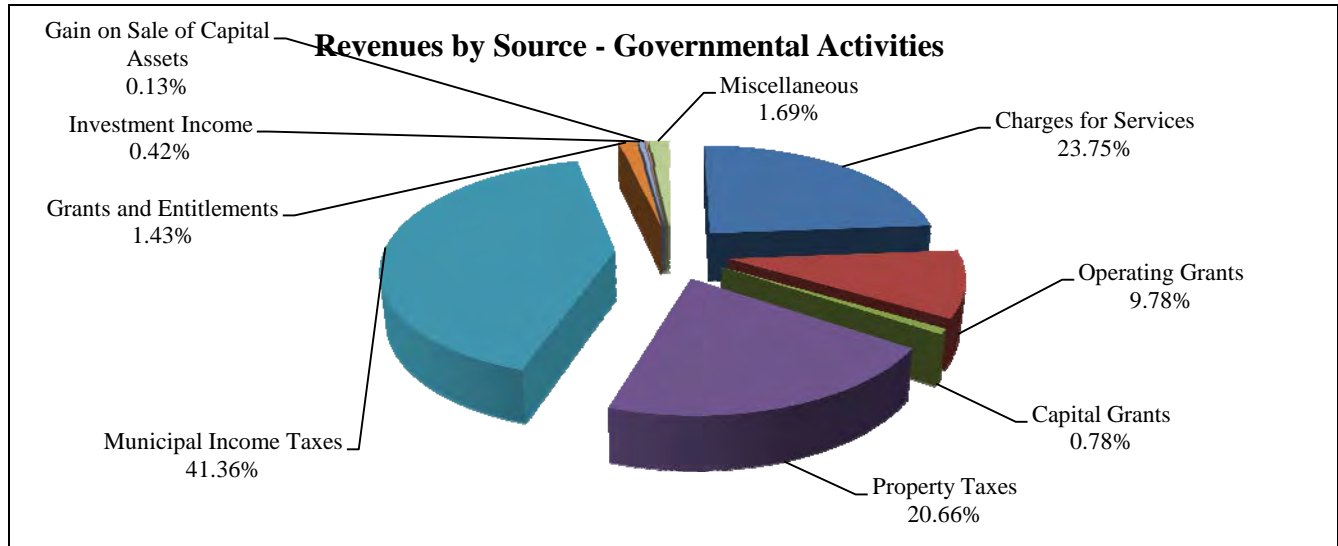
(Table 2)
Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$4,855,133 | \$4,157,972 | \$7,000,320 | \$6,650,006 | \$11,855,453 | \$10,807,978 |
| Operating Grants and Contributions | 2,000,188 | 2,252,738 | 0 | 0 | 2,000,188 | 2,252,738 |
| Capital Grants and Contributions | 158,644 | 0 | 0 | 0 | 158,644 | 0 |
| Total Program Revenues | 7,013,965 | 6,410,710 | 7,000,320 | 6,650,006 | 14,014,285 | 13,060,716 |
| General Revenues | | | | | | |
| Property Taxes | 4,223,407 | 4,382,346 | 0 | 0 | 4,223,407 | 4,382,346 |
| Municipal Income Taxes | 8,454,329 | 8,852,523 | 0 | 0 | 8,454,329 | 8,852,523 |
| Grants and Entitlements not Restricted to Specific Programs | 291,638 | 616,412 | 0 | 0 | 291,638 | 616,412 |
| Investment Income | 86,161 | 58,552 | 74,119 | 27,237 | 160,280 | 85,789 |
| Gain on Sale of Capital Assets | 25,733 | 20,257 | 0 | 0 | 25,733 | 20,257 |
| Miscellaneous | 346,412 | 284,100 | 56,302 | 51,910 | 402,714 | 336,010 |
| Total General Revenues | 13,427,680 | 14,214,190 | 130,421 | 79,147 | 13,558,101 | 14,293,337 |
| Total Revenues | 20,441,645 | 20,624,900 | 7,130,741 | 6,729,153 | 27,572,386 | 27,354,053 |
| Program Expenses | | | | | | |
| General Government | 5,898,647 | 5,633,886 | 0 | 0 | 5,898,647 | 5,633,886 |
| Security of Persons and Property | | | | | | |
| Police | 6,174,284 | 5,870,246 | 0 | 0 | 6,174,284 | 5,870,246 |
| Fire | 4,372,079 | 4,485,723 | 0 | 0 | 4,372,079 | 4,485,723 |
| Public Health and Welfare | 237,521 | 208,978 | 0 | 0 | 237,521 | 208,978 |
| Leisure Time Activities | 1,296,875 | 1,351,664 | 0 | 0 | 1,296,875 | 1,351,664 |
| Community Development | 751,443 | 802,316 | 0 | 0 | 751,443 | 802,316 |
| Basic Utility Services | 1,028,879 | 1,002,418 | 0 | 0 | 1,028,879 | 1,002,418 |
| Transportation | 3,488,901 | 3,484,480 | 0 | 0 | 3,488,901 | 3,484,480 |
| Interest and Fiscal Charges | 280,639 | 351,868 | 0 | 0 | 280,639 | 351,868 |
| Water | 0 | 0 | 3,438,819 | 3,312,714 | 3,438,819 | 3,312,714 |
| Wastewater | 0 | 0 | 2,184,316 | 2,190,291 | 2,184,316 | 2,190,291 |
| Total Program Expenses | 23,529,268 | 23,191,579 | 5,623,135 | 5,503,005 | 29,152,403 | 28,694,584 |
| Change in Net Position | (3,087,623) | (2,566,679) | 1,507,606 | 1,226,148 | (1,580,017) | (1,340,531) |
| Net Position Beginning of Year | 12,086,340 | 14,653,019 | 18,106,387 | 16,880,239 | 30,192,727 | 31,533,258 |
| Net Position End of Year | \$8,998,717 | \$12,086,340 | \$19,613,993 | \$18,106,387 | \$28,612,710 | \$30,192,727 |

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Governmental Activities

Governmental activities decreased the City's net position by the amount of \$3,087,623. The primary reason for the decrease in net position relates to the expenses exceeding revenues for a third straight year. A portion of the issue relates to the City recording its portion of the unfunded net pension liabilities. Expenses increased from raises and additional staffing in recreation department. Revenues decreased mostly in income taxes due to the loss of Ben Venue Laboratories, Wal-Mart store and Tim Lally Chevrolet business closings.



The income tax rate was 2.25 percent for 2016, 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. Charges for services increased due to the refuse fee charges.

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.

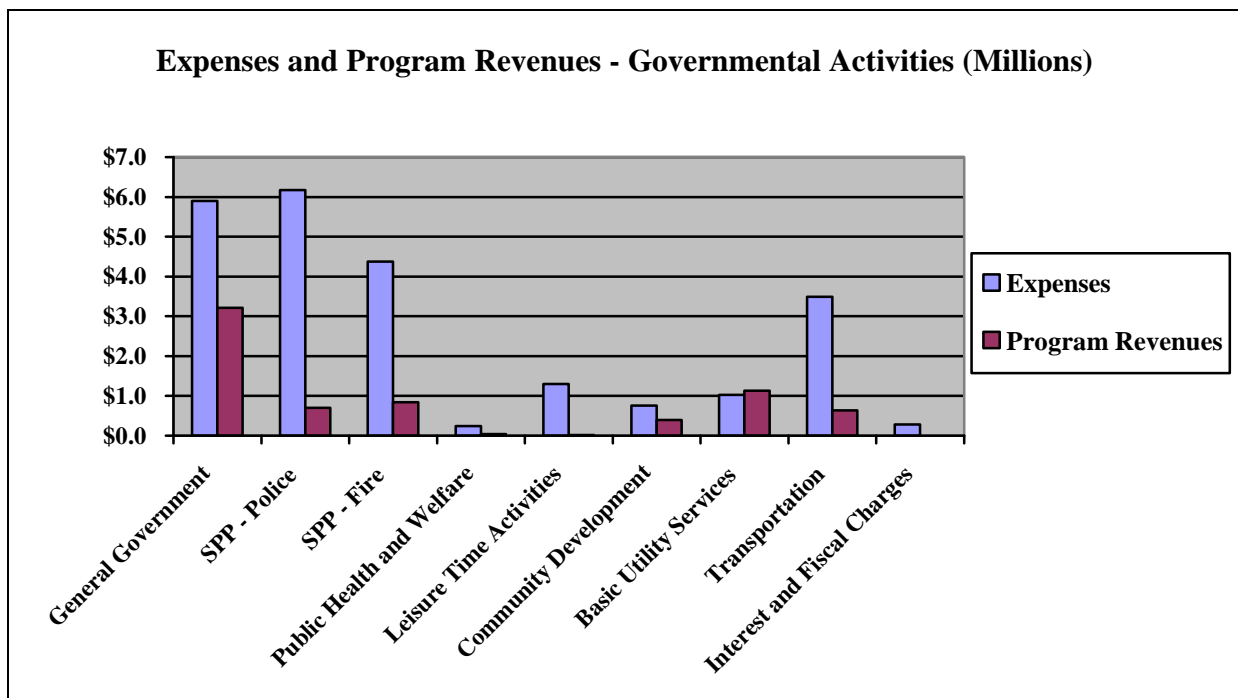
Increases in various program expenses were the result of increases in the net pension liability as well as replacing four employees retiring/leaving the Police Department as well as two recreation employees. Most other expenses closely parallel inflation and growth in the demand for services. Very little increases in departments were caused by the freezing of contracted wages along with the related pension costs and reduced employee hospitalization costs.

The largest program for the City relates to the security of persons and property police and fire program expenses. During 2017, \$10,546,363 was spent or 44.82 percent of program expenses related to security of persons and property compared to 2016, when \$10,355,969 was spent or 44.65 percent. The cost increase was slight due to the replacement of police employees with positions left vacant in 2016.

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The next largest expenses were from general government expenses. The City decreased spending slightly in other departments due lack of projected revenues. During 2017, \$5,898,647 was spent or 25.07 percent of program expenses related general government administration and the Bedford Municipal Court costs compared to 2016, when \$5,633,886 was spent or 24.29 percent.

The third largest program expenses were related to the transportation system for street and highway maintenance, including snow removal. The winters were difficult during 2017-2018 and 2014-2015, very good in 2016-2017 and in 2015-2016; this had the City buying less salt and paying much less overtime for service workers. A major change in spending was due to no road reconstruction expenditures in 2016 and 2017. The City maintains salt funding for two years of winter storms at all times.



Business-Type Activities

The business-type activities of the City, which include the City's water and wastewater operations, increased the City's net position by \$1,507,606. Program revenues were more than program expenses for water operations in 2017 and in 2016 due to new water meters installed, and increased wastewater rates of 4 percent in both years 2017 and 2016, and the latest water rate increases at 5.52 percent in 2015 and 6.1 percent in 2014. These revenue increases are classified as charges for services. The minimum water rate increases of three percent annually went into effect in 2011. City Council voted to have no increase in water rates in 2016 and 2017 due to new meter installations. The City of Cleveland sells water to the City of Bedford at a discount, however, the City of Cleveland increased its water rates to the City of Bedford in 2015 and 2014. The City rebills these rate increases to our residents at the rate of 2.52 percent in 2015 and 3.14 percent in 2014. The next water rate increases scheduled by the City of Cleveland are in 2019 and 2020 and the rate increases are 5.0975 percent and 4.6790 percent respectively.

Program revenues were more than program expenses for the wastewater operations for 2017. A 4 percent increase in wastewater rates was placed into effect annually since 2011 and a 15 percent increase was placed into effect in 2015. The loss of revenue from the closing of Ben Venue Laboratories was the main reason for

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the increase in water and sewer rates. The wastewater rate increase for 2017 was 4 percent, and starting February 1, 2018 an additional 4 percent. Foreclosed homes and delinquencies have increased and more assessments have been recorded on parcels for non-payment.

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 with the balance sheet. These funds are accounted for using the modified accrual basis of accounting.

All governmental funds had total revenues of \$20,487,611 in 2017 and total expenditures of \$21,527,247 in 2017 leaving a difference of revenues over (under) expenditures of (\$1,039,636). The most significant change in our funds from 2016 to 2017 was the increase in fines and forfeiture revenue which was the direct result of increased revenue collected by the municipal court for fines and court costs and this correlates to the reduction in intergovernmental revenues, as less costs of court operations (fines and court cost revenue over municipal court expenditures), were charged to other governments. The main reason for the decrease in expenses was due to no payments to bond escrow agents and bond issuance costs in 2017. Spending was similar in most categories of expenses as employees were granted no pay raise in 2017. Police costs were up due to bringing staff up to full employee staffing.

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 \$6,278,086 of which \$4,761,381 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 2017 unassigned fund balance represents 30.46 percent of total general fund expenditures and transfers out, while total fund balances represents 40.17 percent. The unassigned fund balance will cover 111 days of City general fund expenditures. The minimum GFOA best practices recommendation is at least 60 days. This is another way to express the general fund's liquidity.

During the current year, the fund balance of the City's general fund decreased by (\$1,662,881). The decrease in the general fund balance is due to increases in transfers out to other funds. Transfers out in 2017 were more than 2016 due to the street maintenance and repair special revenue fund needing less transfers in, while

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utilizing the cash balance to pay for goods and services. Also, the health insurance fund needed \$150,000 additional funding for claims paid in 2017 more than budgeted, and the safety forces levy transfers in was more in 2017 due to more employees hired in the Police Department in 2017. These transfers are identified in Note 10 to the Basic Financial Statements.

The public safety major special revenue fund's balance as of December 31, 2017 increased to \$169,276. The City's police and fire department operations are included in this fund.

Other governmental funds had an increase in fund balance due to an increase in transfers in from the general fund and no debt issuance costs in 2017 as well as, less interest expense in 2017. No capital outlays for roads was made in 2017, however, service equipment purchases were made in 2017.

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 2017, 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 including other financing sources were \$14,587,255. The final budgeted revenue amount was \$14,661,755, while actual revenues were \$13,958,269. The general fund's original appropriations including other financing uses were budgeted at \$16,125,485. The final budgeted appropriations were \$16,655,197, while actual expenditures were \$15,843,311. The City of Bedford's ending unencumbered cash balance in the general fund was increased by \$108,400 above the final budgeted amount.

There were slight differences only between the general fund's original and final amended revenue budget vs actual revenue. The largest negative variance was municipal income taxes as three larger employers closed during the year. Intergovernmental revenues were below the budget figures as the City received less local government funding this year as the State took more for their budget. Expenditure budget amounts had major changes:

- The most significant budget (appropriation) change was the increase in general government as the budget was amended for increases in income tax refunds, municipal court expenditures and equipment purchases. Also, transfers out for health insurance claims was added in the amount of \$150,000.
- General government expenditures left unspent consisted of the following:
 - The police department left unspent funds (\$31,910) from savings from workers compensation and gasoline (\$27,014) costs.
 - The income tax department had income tax refunds that were issued in 2017 and not spent in 2016 in the amount of \$218,308.
 - The law department realized savings from Law Department \$17,759 for contract services under what was budgeted.

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- The Municipal Court left unspent \$94,865 in personal services costs due to employees not replaced in 2017.
 - The municipal complex buildings department realized savings from natural gas prices, unspent improvement funds and less equipment purchased than anticipated.
- Actual expenditures were \$811,886 less than appropriations due mainly to the above and 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 | |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$3,118,891 | \$3,074,135 | \$28,620 | \$28,620 | \$3,147,511 | \$3,102,755 |
| Construction in Progress | 98,451 | 5,320 | 2,878,049 | 2,467,535 | 2,976,500 | 2,472,855 |
| Buildings and Improvements | 11,710,253 | 12,081,371 | 6,020,641 | 6,242,084 | 17,730,894 | 18,323,455 |
| Machinery and Equipment | 851,919 | 983,291 | 1,959,780 | 1,828,655 | 2,811,699 | 2,811,946 |
| Furniture and Fixtures | 104,289 | 116,481 | 0 | 0 | 104,289 | 116,481 |
| Vehicles | 609,765 | 688,253 | 257,079 | 243,187 | 866,844 | 931,440 |
| Infrastructure | 7,737,381 | 8,592,422 | 8,616,028 | 8,780,858 | 16,353,409 | 17,373,280 |
| Total | \$24,230,949 | \$25,541,273 | \$19,760,197 | \$19,590,939 | \$43,991,146 | \$45,132,212 |

Total governmental capital assets decreased in 2017. Decreases in many capital asset categories occurred in 2017 mostly due to depreciation expense and the disposal of machinery and equipment. The depreciation expense of governmental activity assets for the year 2017 was \$1,654,189. The City had additions to governmental capital assets consisting of buildings and improvements, machinery and equipment, furniture and fixtures and vehicles. The business-type construction in progress was increased by \$410,514 in started projects that consisted primarily of the water meter replacements, wastewater replacing the 60" unit primary digester cover, replacing pumps, and PR head works Grit removal system along with additions to buildings and improvements, machinery and equipment, vehicles and water and sewer lines.

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

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Debt

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General Obligation Bonds | \$7,911,134 | \$8,832,323 | \$8,182,525 | \$8,888,909 | \$16,093,659 | \$17,721,232 |
| OPWC Loans | 440,633 | 492,479 | 982,700 | 1,076,532 | 1,423,333 | 1,569,011 |
| OWDA Loans | 0 | 0 | 932,915 | 1,068,445 | 932,915 | 1,068,445 |
| Net Pension Liability | 23,644,237 | 20,961,660 | 1,941,479 | 1,533,472 | 25,585,716 | 22,495,132 |
| Police Pension | 150,458 | 156,177 | 0 | 0 | 150,458 | 156,177 |
| Capital Leases | 39,728 | 61,996 | 0 | 0 | 39,728 | 61,996 |
| Compensated Absences | 1,656,347 | 1,597,703 | 37,067 | 32,396 | 1,693,414 | 1,630,099 |
| Total | \$33,842,537 | \$32,102,338 | \$12,076,686 | \$12,599,754 | \$45,919,223 | \$44,702,092 |

There are multiple general obligation bond projects for both governmental and business-type activities that were issued for both improvements and to refund previously issued debt, capitalizing on reductions to interest rates.

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

GASB 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The governmental activities net pension liability (NPL) increased by \$2,682,577 in 2017. The business-type activities NPL increased by \$408,007 in 2017.

The police pension liability loan is a specific one-time liability for the unfunded portion of the pension due for employees hired before the Police and Firemen's Disability and Pension fund was established.

The business-type debt consisted of general obligation bonds along with OPWC and OWDA loans.

The Grand, Magnolia and Franklin water line OPWC project will be repaid from the water rates and the funds to match this grant came from the bond proceeds issued in 2010. This 2010 issue is to be repaid from the water rates and water bill collections. The 2006 general obligation debt was issued for the water lines of Washington Street, Tinkers Creek Commerce Park and Forbes Road water line.

The water and sewer rates along with respective collections pay for the retirement of an Ohio Public Works Commission Loan (Oxidation Tower Project) and the Ohio Water Development Authority Loan (Rapid Sandfilter Project). The City received a grant in 2004 from the State's Issue II funding and an OPWC-Oxidation Tower loan has been granted. 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.

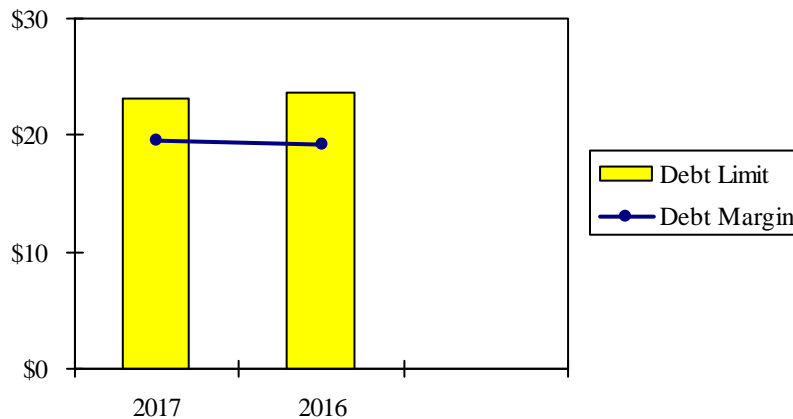
City of Bedford, Ohio
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Most of the City's wastewater plant debt consisted of OWDA loans that were issued prior to 1994. The City has one of these loans outstanding for the following purposes: the 2003 Rapid Sandfilter Improvement. This loan was issued for 20 years at 3.90 percent.

The City, in 2016, issued private placement \$1.4 million in general obligation bonds over a period of 5 years with the purpose of replacing all residential water meters in the City. The project construction is expected to last two years and increase water reading consumption from slow running meters by a range of 3 to 5 percent, current collections are confirming this range. The interest rate on these bonds is 2.1 percent over the 5 years.

In 2016, the City refunded the 2006 general obligation bonds through Key Bank at an interest rate of 2.18 percent from June 1, 2017 through December 1, 2026 on September 6, 2016. The net present value savings from this issue was \$546,651. The cash flow savings from this refunding is \$613,018.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10½ percent of total assessed valuation. The City's overall legal debt limit decreased to \$23.18 million in 2017. This is the amount of debt the City is legally allowed to issue. This is due to the decrease in current year debt and lower assessed property valuation. It should be noted that, most general obligation debt issued has two revenue sources backing the issues for income tax or water and sewer rate collections.



The City continues to monitor its outstanding debt. Information relative to debt is identified in Note 12 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 now and in the future.

The City of Bedford continues to be financially strong although Moody's Investors Service's on February 15, 2017, "has downgraded to A1 from Aa3 the rating on the City of Bedford, OH's outstanding general obligation limited tax (GOLT) debt. **Moody's Investors Service is quoted as stating:**

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“The downgrade to A1 primarily reflects economic weaknesses that have recently become more pronounced with the loss of local employers. The rating also incorporates the City's very strong fiscal and management profile, as well as plans to seek voter approval of an increased income tax to mitigate the fiscal effects of recent business closures. Lastly, the rating also considers a moderate debt burden and the City's exposure to unfunded pension liabilities of two cost-sharing retirement systems. The A1 rating is the same as Moody's internal assessment of Bedford's hypothetical general obligation unlimited tax rating. The lack of notching reflects the City's full faith and credit pledge to pay debt service”

Strengths were quoted as follows:

“A very healthy operating fund balance.”

“Strong fiscal management practices that include maintenance of a formal financial reserve policy, annually updated five-year operating forecast, and the identification of potential revenue enhancements.”

Challenges were quoted as follows:

“A very modest tax base size that incorporates a cumulative 32 percent decline since 2006.”

“A challenged demographic profile relative to other highly rated local governments as indicated by a negative population trend and falling income levels relative to the nation.”

“A recent departure of the City's largest employer and taxpayer that drove a sizeable reduction in the income tax revenue.”

“Exposure to unfunded pension liabilities of two cost-sharing retirement plans.”

Rating Outlook:

Outlooks are typically not assigned to issuers with this amount of debt outstanding.

Factors that Could Lead to an Upgrade:

Significant expansion of the City's tax base and local economy coupled with an improved socioeconomic profile.

Standard and Poor's Inc. Rating Quotes:

On February 12, 2015, Standard and Poor's Inc. downgraded the City's financial ratings and assigned its AA-stable long-term rating to the City of Bedford, Ohio series 2016 limited-tax general obligation (GO) various purpose improvements bonds. Standard & Poor's Ratings Services quoted the following:

“The AA-/Stable rating reflects our assessment of Bedford's:

- Weak economy, with significant population decline, but access to a broad and diverse metropolitan statistical area.
- Very strong debt and contingent liability position, with debt service carrying charges at 6.4 percent of expenditures and net direct debt that is 47.3 percent of total governmental fund revenue. Low overall net debt less than 3.0 percent of market value and rapid amortization, with 69.0 percent of debt scheduled to be retired in 10 years; and

City of Bedford, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

- Strong institutional framework score.
- Very strong budgetary flexibility, with an available fund balance in 2014 of 60 percent of operating expenditures;
- Very strong liquidity with total government available cash at 108.7 percent of total governmental fund expenditures and 17.0 percent governmental debt service, and access to external liquidity we consider strong;
- Very strong management with strong financial policies and practices under our Financial Management Assessment (FMA) methodology.

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 will adjust more to counter the loss of the City's largest taxpayer. The Citizens of the City of Bedford care deeply about their community, and when communicated to properly, will propel the City forward with revenue enhancements when needed. The City 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.

Basic Financial Statements

City of Bedford, Ohio
Statement of Net Position
December 31, 2017

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$10,453,358 | \$9,800,641 | \$20,253,999 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 27,019 | 27,019 |
| Accounts Receivable | 89,856 | 1,431,819 | 1,521,675 |
| Accrued Interest Receivable | 1,059 | 24,167 | 25,226 |
| Intergovernmental Receivable | 856,036 | 0 | 856,036 |
| Internal Balances | 50,344 | (50,344) | 0 |
| Income Taxes Receivable | 2,943,646 | 0 | 2,943,646 |
| Materials and Supplies Inventory | 135,431 | 247,571 | 383,002 |
| Prepaid Items | 90,192 | 8,027 | 98,219 |
| Property Taxes Receivable | 4,864,805 | 0 | 4,864,805 |
| Special Assessments Receivable | 1,300,949 | 0 | 1,300,949 |
| Nondepreciable Capital Assets | 3,217,342 | 2,906,669 | 6,124,011 |
| Depreciable Capital Assets, Net | 21,013,607 | 16,853,528 | 37,867,135 |
| <i>Total Assets</i> | <u>45,016,625</u> | <u>31,249,097</u> | <u>76,265,722</u> |
| Deferred Outflows of Resources | | | |
| Deferred Charge on Refunding Pension | 290,581 | 19,172 | 309,753 |
| | 6,706,951 | 743,969 | 7,450,920 |
| <i>Total Deferred Outflows of Resources</i> | <u>6,997,532</u> | <u>763,141</u> | <u>7,760,673</u> |
| Liabilities | | | |
| Accounts Payable | 155,159 | 59,466 | 214,625 |
| Accrued Wages | 639,561 | 61,416 | 700,977 |
| Intergovernmental Payable | 235,464 | 25,086 | 260,550 |
| Vacation Benefits Payable | 536,365 | 54,325 | 590,690 |
| Claims Payable | 211,902 | 0 | 211,902 |
| Unearned Revenue | 1,123,931 | 0 | 1,123,931 |
| Retainage Payable | 0 | 27,019 | 27,019 |
| Accrued Interest Payable | 16,746 | 33,126 | 49,872 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,833,800 | 891,360 | 2,725,160 |
| Due In More Than One Year | | | |
| Net Pension Liability (See Note 14) | 23,644,237 | 1,941,479 | 25,585,716 |
| Other Amounts | 8,364,500 | 9,243,847 | 17,608,347 |
| <i>Total Liabilities</i> | <u>36,761,665</u> | <u>12,337,124</u> | <u>49,098,789</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 4,543,752 | 0 | 4,543,752 |
| Pension | 1,710,023 | 61,121 | 1,771,144 |
| <i>Total Deferred Inflows of Resources</i> | <u>6,253,775</u> | <u>61,121</u> | <u>6,314,896</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 16,136,358 | 9,685,268 | 25,821,626 |
| Restricted for: | | | |
| Capital Projects | 138,626 | 0 | 138,626 |
| Debt Service | 227,991 | 0 | 227,991 |
| Municipal Courts | 492,144 | 0 | 492,144 |
| Streets | 1,411,194 | 0 | 1,411,194 |
| Community Development | 136,287 | 0 | 136,287 |
| Street Lighting | 473,352 | 0 | 473,352 |
| Drug Force Violations | 489,069 | 0 | 489,069 |
| Refuse Collection | 900,418 | 0 | 900,418 |
| Other Purposes | 447,992 | 0 | 447,992 |
| Unrestricted (Deficit) | (11,854,714) | 9,928,725 | (1,925,989) |
| <i>Total Net Position</i> | <u>\$8,998,717</u> | <u>\$19,613,993</u> | <u>\$28,612,710</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Activities
For the Year Ended December 31, 2017

| | Program Revenues | | | |
|---------------------------------------|---------------------|--|---------------------------------------|------------------|
| | Expenses | Charges for Services and Operating Assessments | Operating Grants and Contributions | |
| Governmental Activities | | | | |
| General Government | \$5,898,647 | \$2,624,304 | \$424,599 | \$158,644 |
| Security of Persons and Property | | | | |
| Police | 6,174,284 | 84,151 | 610,459 | 0 |
| Fire | 4,372,079 | 556,192 | 283,456 | 0 |
| Public Health and Welfare | 237,521 | 0 | 37,556 | 0 |
| Leisure Time Activities | 1,296,875 | 76,815 | 13,273 | 0 |
| Community Development | 751,443 | 383,288 | 0 | 0 |
| Basic Utility Services | 1,028,879 | 1,130,383 | 0 | 0 |
| Transportation | 3,488,901 | 0 | 630,845 | 0 |
| Interest and Fiscal Charges | 280,639 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>23,529,268</u> | <u>4,855,133</u> | <u>2,000,188</u> | <u>158,644</u> |
| Business-Type Activities | | | | |
| Water | 3,438,819 | 4,353,737 | 0 | 0 |
| Wastewater | 2,184,316 | 2,646,583 | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>5,623,135</u> | <u>7,000,320</u> | <u>0</u> | <u>0</u> |
| <i>Total</i> | <u>\$29,152,403</u> | <u>\$11,855,453</u> | <u>\$2,000,188</u> | <u>\$158,644</u> |

General Revenues

Property Taxes Levied for:

 General Purposes

 Public Safety

Municipal Income Taxes Levied for:

 General Purposes

 Debt Service

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 |
|----------------------------|-----------------------------|---------------------|
| (\$2,691,100) | \$0 | (\$2,691,100) |
| (5,479,674) | 0 | (5,479,674) |
| (3,532,431) | 0 | (3,532,431) |
| (199,965) | 0 | (199,965) |
| (1,206,787) | 0 | (1,206,787) |
| (368,155) | 0 | (368,155) |
| 101,504 | 0 | 101,504 |
| (2,858,056) | 0 | (2,858,056) |
| (280,639) | 0 | (280,639) |
| <u>(16,515,303)</u> | <u>0</u> | <u>(16,515,303)</u> |
| 0 | 914,918 | 914,918 |
| <u>0</u> | <u>462,267</u> | <u>462,267</u> |
| <u>0</u> | <u>1,377,185</u> | <u>1,377,185</u> |
| <u>(16,515,303)</u> | <u>1,377,185</u> | <u>(15,138,118)</u> |
| 1,830,637 | 0 | 1,830,637 |
| 2,392,770 | 0 | 2,392,770 |
| 7,584,295 | 0 | 7,584,295 |
| 870,034 | 0 | 870,034 |
| 291,638 | 0 | 291,638 |
| 86,161 | 74,119 | 160,280 |
| 25,733 | 0 | 25,733 |
| 346,412 | 56,302 | 402,714 |
| <u>13,427,680</u> | <u>130,421</u> | <u>13,558,101</u> |
| (3,087,623) | 1,507,606 | (1,580,017) |
| <u>12,086,340</u> | <u>18,106,387</u> | <u>30,192,727</u> |
| <u>\$8,998,717</u> | <u>\$19,613,993</u> | <u>\$28,612,710</u> |

City of Bedford, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

| | <u>General</u> | <u>Public Safety</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--------------------------|---|---|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$5,435,986 | \$585,301 | \$4,204,601 | \$10,225,888 |
| Property Taxes Receivable | 2,107,342 | 2,757,463 | 0 | 4,864,805 |
| Income Taxes Receivable | 2,943,646 | 0 | 0 | 2,943,646 |
| Accounts Receivable | 55,049 | 0 | 34,807 | 89,856 |
| Intergovernmental Receivable | 343,766 | 129,885 | 382,385 | 856,036 |
| Interfund Receivable | 261,372 | 0 | 0 | 261,372 |
| Accrued Interest Receivable | 1,059 | 0 | 0 | 1,059 |
| Materials and Supplies Inventory | 130,460 | 4,971 | 0 | 135,431 |
| Prepaid Items | 58,773 | 0 | 31,419 | 90,192 |
| Special Assessments Receivable | 145,296 | 0 | 1,155,653 | 1,300,949 |
| <i>Total Assets</i> | <u>\$11,482,749</u> | <u>\$3,477,620</u> | <u>\$5,808,865</u> | <u>\$20,769,234</u> |
| Liabilities | | | | |
| Accounts Payable | \$81,737 | \$0 | \$71,903 | \$153,640 |
| Accrued Wages | 332,749 | 301,985 | 4,827 | 639,561 |
| Intergovernmental Payable | 114,811 | 119,011 | 1,642 | 235,464 |
| Claims Payable | 26,614 | 0 | 0 | 26,614 |
| Interfund Payable | 0 | 0 | 261,372 | 261,372 |
| Unearned Revenue | 0 | 0 | 1,123,931 | 1,123,931 |
| <i>Total Liabilities</i> | <u>555,911</u> | <u>420,996</u> | <u>1,463,675</u> | <u>2,440,582</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 1,968,262 | 2,575,490 | 0 | 4,543,752 |
| Unavailable Revenue | 2,680,490 | 311,858 | 1,361,962 | 4,354,310 |
| <i>Total Deferred Inflows of Resources</i> | <u>4,648,752</u> | <u>2,887,348</u> | <u>1,361,962</u> | <u>8,898,062</u> |
| Fund Balances | | | | |
| Nonspendable | 189,233 | 4,971 | 31,419 | 225,623 |
| Restricted | 0 | 164,305 | 3,318,901 | 3,483,206 |
| Committed | 42,575 | 0 | 0 | 42,575 |
| Assigned | 1,284,897 | 0 | 0 | 1,284,897 |
| Unassigned (Deficit) | 4,761,381 | 0 | (367,092) | 4,394,289 |
| <i>Total Fund Balances</i> | <u>6,278,086</u> | <u>169,276</u> | <u>2,983,228</u> | <u>9,430,590</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$11,482,749</u> | <u>\$3,477,620</u> | <u>\$5,808,865</u> | <u>\$20,769,234</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, 2017*

| | |
|--|---------------------------|
| Total Governmental Fund Balances | \$9,430,590 |
| <i>Amounts reported for governmental activities in the statement of net position are different because</i> | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 24,230,949 |
| 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 | 321,053 |
| Income Taxes | 2,207,758 |
| Special Assessments | 1,300,949 |
| Intergovernmental | <u>524,550</u> |
| Total | 4,354,310 |
| 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 | 40,663 |
| Internal Balances | <u>50,344</u> |
| Total | 91,007 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (16,746) |
| Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds. | (536,365) |
| The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds: | |
| Deferred Outflows - Pension | 6,706,951 |
| Deferred Inflows - Pension | (1,710,023) |
| Net Pension Liability | <u>(23,644,237)</u> |
| Total | (18,647,309) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| General Obligation Bonds | (7,911,134) |
| OPWC Loans | (440,633) |
| Police Pension | (150,458) |
| Capital Leases | (39,728) |
| Compensated Absences | (1,656,347) |
| Deferred Charge on Refunding | <u>290,581</u> |
| Total | <u>(9,907,719)</u> |
| <i>Net Position of Governmental Activities</i> | <u><u>\$8,998,717</u></u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

| | General | Public Safety | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Property Taxes | \$1,827,686 | \$2,388,876 | \$0 | \$4,216,562 |
| Municipal Income Taxes | 7,744,812 | 0 | 870,034 | 8,614,846 |
| Charges for Services | 820,979 | 0 | 1,485 | 822,464 |
| Fees, Licenses and Permits | 188,580 | 18 | 0 | 188,598 |
| Fines and Forfeitures | 2,387,429 | 0 | 301,206 | 2,688,635 |
| Intergovernmental | 714,897 | 491,865 | 1,133,383 | 2,340,145 |
| Special Assessments | 20,472 | 0 | 1,100,559 | 1,121,031 |
| Contributions and Donations | 0 | 0 | 12,855 | 12,855 |
| Interest | 48,490 | 4,418 | 32,792 | 85,700 |
| Rentals | 55,346 | 0 | 0 | 55,346 |
| Other | 51,083 | 0 | 290,346 | 341,429 |
| <i>Total Revenues</i> | <u>13,859,774</u> | <u>2,885,177</u> | <u>3,742,660</u> | <u>20,487,611</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 4,974,291 | 0 | 103,531 | 5,077,822 |
| Security of Persons and Property: | | | | |
| Police | 2,245,966 | 3,014,671 | 486,884 | 5,747,521 |
| Fire | 128,912 | 3,694,953 | 14,998 | 3,838,863 |
| Public Health and Welfare | 156,535 | 0 | 64,895 | 221,430 |
| Leisure Time Activities | 1,176,008 | 0 | 20,553 | 1,196,561 |
| Community Development | 632,882 | 0 | 55,064 | 687,946 |
| Basic Utility Services | 0 | 0 | 1,028,260 | 1,028,260 |
| Transportation | 1,644,911 | 0 | 738,628 | 2,383,539 |
| Capital Outlay | 0 | 0 | 112,820 | 112,820 |
| Debt Service: | | | | |
| Principal Retirement | 27,987 | 0 | 964,024 | 992,011 |
| Interest and Fiscal Charges | 8,715 | 0 | 231,759 | 240,474 |
| <i>Total Expenditures</i> | <u>10,996,207</u> | <u>6,709,624</u> | <u>3,821,416</u> | <u>21,527,247</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>2,863,567</u> | <u>(3,824,447)</u> | <u>(78,756)</u> | <u>(1,039,636)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 107,057 | 0 | 22,012 | 129,069 |
| Transfers In | 0 | 3,893,595 | 621,143 | 4,514,738 |
| Transfers Out | (4,633,505) | 0 | (31,233) | (4,664,738) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(4,526,448)</u> | <u>3,893,595</u> | <u>611,922</u> | <u>(20,931)</u> |
| <i>Net Change in Fund Balances</i> | (1,662,881) | 69,148 | 533,166 | (1,060,567) |
| <i>Fund Balances Beginning of Year</i> | <u>7,940,967</u> | <u>100,128</u> | <u>2,450,062</u> | <u>10,491,157</u> |
| <i>Fund Balances End of Year</i> | <u>\$6,278,086</u> | <u>\$169,276</u> | <u>\$2,983,228</u> | <u>\$9,430,590</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, 2017*

Net Change in Fund Balances - Total Governmental Funds (\$1,060,567)

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 | 347,201 | |
| Capital Contributions | 100,000 | |
| Current Year Depreciation | <u>(1,654,189)</u> | |
| Total | | (1,206,988) |

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. (103,336)

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

| | | |
|---------------------------|----------------|-----------|
| Delinquent Property Taxes | 6,845 | |
| Income Taxes | (160,517) | |
| Special Assessments | (20,941) | |
| Intergovernmental | <u>(2,530)</u> | |
| Total | | (177,143) |

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,790,184

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,275,061)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 992,011

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 | 6,815 | |
| Amortization of Premium | 9,011 | |
| Amortization of Deferred Charge on Refunding | <u>(55,991)</u> | |
| Total | | (40,165) |

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 | (58,644) | |
| Vacation Benefits Payable | <u>355</u> | |
| Total | | (58,289) |

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 | 40,663 | |
| Change in Internal Balance | <u>11,068</u> | |
| Total | | <u>51,731</u> |

Change in Net Position of Governmental Activities (\$3,087,623)

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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$1,869,235 | \$1,869,235 | \$1,827,686 | (\$41,549) |
| Municipal Income Taxes | 8,345,344 | 8,395,344 | 7,830,308 | (565,036) |
| Charges for Services | 787,850 | 787,850 | 782,740 | (5,110) |
| Fees, Licenses and Permits | 255,185 | 255,185 | 213,397 | (41,788) |
| Fines and Forfeitures | 2,338,290 | 2,338,290 | 2,353,886 | 15,596 |
| Intergovernmental | 715,976 | 715,976 | 647,776 | (68,200) |
| Special Assessments | 34,875 | 34,875 | 20,472 | (14,403) |
| Interest | 32,150 | 32,150 | 46,377 | 14,227 |
| Rentals | 43,000 | 57,500 | 55,346 | (2,154) |
| Other | 49,350 | 59,350 | 73,224 | 13,874 |
| <i>Total Revenues</i> | 14,471,255 | 14,545,755 | 13,851,212 | (694,543) |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 5,562,526 | 5,652,201 | 5,237,483 | 414,718 |
| Security of Persons and Property: | | | | |
| Police | 2,304,028 | 2,389,913 | 2,251,501 | 138,412 |
| Fire | 136,005 | 156,005 | 135,327 | 20,678 |
| Public Health and Welfare | 177,650 | 177,650 | 158,007 | 19,643 |
| Leisure Time Activities | 1,349,218 | 1,402,370 | 1,240,574 | 161,796 |
| Community Development | 587,371 | 592,371 | 562,435 | 29,936 |
| Transportation | 1,651,182 | 1,651,182 | 1,624,479 | 26,703 |
| <i>Total Expenditures</i> | 11,767,980 | 12,021,692 | 11,209,806 | 811,886 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 2,703,275 | 2,524,063 | 2,641,406 | 117,343 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 116,000 | 116,000 | 107,057 | (8,943) |
| Transfers Out | (4,357,505) | (4,633,505) | (4,633,505) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (4,241,505) | (4,517,505) | (4,526,448) | (8,943) |
| <i>Net Change in Fund Balance</i> | (1,538,230) | (1,993,442) | (1,885,042) | 108,400 |
| <i>Fund Balance Beginning of Year</i> | 6,929,029 | 6,929,029 | 6,929,029 | 0 |
| Prior Year Encumbrances Appropriated | 138,387 | 138,387 | 138,387 | 0 |
| <i>Fund Balance End of Year</i> | \$5,529,186 | \$5,073,974 | \$5,182,374 | \$108,400 |

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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property Taxes | \$2,438,952 | \$2,438,952 | \$2,388,876 | (\$50,076) |
| Fees, Licenses and Permits | 25 | 25 | 18 | (7) |
| Intergovernmental | 548,781 | 548,781 | 534,000 | (14,781) |
| Interest | 2,250 | 2,250 | 4,418 | 2,168 |
| Other | 50 | 50 | 0 | (50) |
| <i>Total Revenues</i> | <u>2,990,058</u> | <u>2,990,058</u> | <u>2,927,312</u> | <u>(62,746)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police | 3,203,810 | 3,203,810 | 3,040,535 | 163,275 |
| Fire | 3,721,156 | 3,861,156 | 3,744,385 | 116,771 |
| <i>Total Expenditures</i> | <u>6,924,966</u> | <u>7,064,966</u> | <u>6,784,920</u> | <u>280,046</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (3,934,908) | (4,074,908) | (3,857,608) | 217,300 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 3,777,595 | 3,893,595 | 3,893,595 | 0 |
| <i>Net Change in Fund Balance</i> | (157,313) | (181,313) | 35,987 | 217,300 |
| <i>Fund Balance Beginning of Year</i> | 537,745 | 537,745 | 537,745 | 0 |
| Prior Year Encumbrances Appropriated | 3,312 | 3,312 | 3,312 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$383,744</u> | <u>\$359,744</u> | <u>\$577,044</u> | <u>\$217,300</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

| | Enterprise | | | Internal Service |
|---|---------------------|--------------------|-------------------|---------------------|
| | Water | Wastewater | Total | |
| Assets | | | | |
| <i>Current Assets</i> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$7,467,067 | \$2,333,574 | \$9,800,641 | \$227,470 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 27,019 | 27,019 | 0 |
| Receivables: | | | | |
| Accounts | 855,737 | 576,082 | 1,431,819 | 0 |
| Accrued Interest | 18,851 | 5,316 | 24,167 | 0 |
| Materials and Supplies Inventory | 166,847 | 80,724 | 247,571 | 0 |
| Prepaid Items | 7,582 | 445 | 8,027 | 0 |
| <i>Total Current Assets</i> | <u>8,516,084</u> | <u>3,023,160</u> | <u>11,539,244</u> | <u>227,470</u> |
| <i>Noncurrent Assets</i> | | | | |
| Nondepreciable Capital Assets | 8,959 | 2,897,710 | 2,906,669 | 0 |
| Depreciable Capital Assets, Net | 7,788,522 | 9,065,006 | 16,853,528 | 0 |
| <i>Total Noncurrent Assets</i> | <u>7,797,481</u> | <u>11,962,716</u> | <u>19,760,197</u> | <u>0</u> |
| <i>Total Assets</i> | <u>16,313,565</u> | <u>14,985,876</u> | <u>31,299,441</u> | <u>227,470</u> |
| Deferred Outflows of Resources | | | | |
| Deferred Charge on Refunding Pension | 6,751 | 12,421 | 19,172 | 0 |
| | 247,990 | 495,979 | 743,969 | 0 |
| <i>Total Deferred Outflows of Resources</i> | <u>254,741</u> | <u>508,400</u> | <u>763,141</u> | <u>0</u> |
| Liabilities | | | | |
| <i>Current Liabilities</i> | | | | |
| Accounts Payable | 43,226 | 16,240 | 59,466 | 1,519 |
| Accrued Wages | 21,090 | 40,326 | 61,416 | 0 |
| Intergovernmental Payable | 4,762 | 20,324 | 25,086 | 0 |
| Retainage Payable | 0 | 27,019 | 27,019 | 0 |
| Vacation Benefits Payable | 16,523 | 37,802 | 54,325 | 0 |
| Compensated Absences Payable | 319 | 27 | 346 | 0 |
| Accrued Interest Payable | 9,194 | 23,932 | 33,126 | 0 |
| General Obligation Bonds Payable | 419,427 | 236,889 | 656,316 | 0 |
| OPWC Loans Payable | 42,700 | 51,131 | 93,831 | 0 |
| OWDA Loans Payable | 0 | 140,867 | 140,867 | 0 |
| Claims Payable | 0 | 0 | 0 | 185,288 |
| <i>Total Current Liabilities</i> | <u>557,241</u> | <u>594,557</u> | <u>1,151,798</u> | <u>186,807</u> |
| <i>Long-Term Liabilities (net of current portion)</i> | | | | |
| Compensated Absences Payable | 15,943 | 20,778 | 36,721 | 0 |
| Net Pension Liability | 647,160 | 1,294,319 | 1,941,479 | 0 |
| General Obligation Bonds Payable | 3,498,112 | 4,028,097 | 7,526,209 | 0 |
| OPWC Loans Payable | 516,450 | 372,419 | 888,869 | 0 |
| OWDA Loans Payable | 0 | 792,048 | 792,048 | 0 |
| <i>Total Long-Term Liabilities</i> | <u>4,677,665</u> | <u>6,507,661</u> | <u>11,185,326</u> | <u>0</u> |
| <i>Total Liabilities</i> | <u>5,234,906</u> | <u>7,102,218</u> | <u>12,337,124</u> | <u>186,807</u> |
| Deferred Inflows of Resources | | | | |
| Pension | 20,374 | 40,747 | 61,121 | 0 |
| Net Position | | | | |
| Net Investment in Capital Assets | 3,329,746 | 6,355,522 | 9,685,268 | 0 |
| Unrestricted | 7,983,280 | 1,995,789 | 9,979,069 | 40,663 |
| <i>Total Net Position</i> | <u>\$11,313,026</u> | <u>\$8,351,311</u> | <u>19,664,337</u> | <u>\$40,663</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:

(50,344)

Net position of business-type activities

\$19,613,993

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, 2017*

| | Enterprise | | | Internal Service |
|--|---------------------|--------------------|------------------|---------------------|
| | Water | Wastewater | Total | |
| Operating Revenues | | | | |
| Charges for Services | \$4,353,737 | \$2,646,583 | \$7,000,320 | \$2,211,576 |
| Other | 29,269 | 27,033 | 56,302 | 4,983 |
| <i>Total Operating Revenues</i> | <u>4,383,006</u> | <u>2,673,616</u> | <u>7,056,622</u> | <u>2,216,559</u> |
| Operating Expenses | | | | |
| Personal Services | 564,241 | 1,139,388 | 1,703,629 | 0 |
| Contractual Services | 2,237,205 | 0 | 2,237,205 | 303,855 |
| Materials and Supplies | 298,662 | 518,943 | 817,605 | 0 |
| Depreciation | 217,518 | 356,461 | 573,979 | 0 |
| Claims | 0 | 0 | 0 | 2,022,502 |
| Other | 1,486 | 1,702 | 3,188 | 0 |
| <i>Total Operating Expenses</i> | <u>3,319,112</u> | <u>2,016,494</u> | <u>5,335,606</u> | <u>2,326,357</u> |
| <i>Operating Income (Loss)</i> | <u>1,063,894</u> | <u>657,122</u> | <u>1,721,016</u> | <u>(109,798)</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Interest | 55,108 | 19,011 | 74,119 | 461 |
| Interest and Fiscal Charges | (115,682) | (160,779) | (276,461) | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>(60,574)</u> | <u>(141,768)</u> | <u>(202,342)</u> | <u>461</u> |
| <i>Income (Loss) before Transfers</i> | 1,003,320 | 515,354 | 1,518,674 | (109,337) |
| Transfers In | 0 | 0 | 0 | 150,000 |
| <i>Change in Net Position</i> | 1,003,320 | 515,354 | 1,518,674 | 40,663 |
| <i>Net Position Beginning of Year</i> | <u>10,309,706</u> | <u>7,835,957</u> | | <u>0</u> |
| <i>Net Position End of Year</i> | <u>\$11,313,026</u> | <u>\$8,351,311</u> | | <u>\$40,663</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:

(11,068)

Change in net position of business-type activities

\$1,507,606

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

| | Enterprise | | | Internal Service |
|---|--------------------|--------------------|--------------------|---------------------|
| | Water | Wastewater | Total | |
| Increase (Decrease) in Cash and Cash Equivalents | | | | |
| Cash Flows from Operating Activities | | | | |
| Cash Received from Customers | \$4,364,065 | \$2,631,691 | \$6,995,756 | \$0 |
| Cash Received from Interfund Services Provided | 0 | 0 | 0 | 2,389,161 |
| Other Cash Receipts | 29,269 | 27,033 | 56,302 | 4,983 |
| Cash Payments to Employees for Services | (400,878) | (871,674) | (1,272,552) | 0 |
| Cash Payments for Goods and Services | (2,479,942) | (588,883) | (3,068,825) | (302,336) |
| Cash Payments for Claims | 0 | 0 | 0 | (2,024,968) |
| Cash Payments for Interfund Services Provided | (77,556) | (135,688) | (213,244) | 0 |
| Other Cash Payments | (1,486) | (1,702) | (3,188) | 0 |
| <i>Net Cash Provided by (Used for) Operating Activities</i> | <u>1,433,472</u> | <u>1,060,777</u> | <u>2,494,249</u> | <u>66,840</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>150,000</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Principal Paid on General Obligation Bonds | (456,762) | (235,710) | (692,472) | 0 |
| Interest Paid on General Obligation Bonds | (120,924) | (124,284) | (245,208) | 0 |
| Principal Paid on OWDA Loans | 0 | (135,530) | (135,530) | 0 |
| Interest Paid on OWDA Loans | 0 | (31,047) | (31,047) | 0 |
| Principal Paid on OPWC Loans | (42,700) | (51,132) | (93,832) | 0 |
| Payments for Capital Acquisitions | (302,948) | (440,289) | (743,237) | 0 |
| <i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i> | <u>(923,334)</u> | <u>(1,017,992)</u> | <u>(1,941,326)</u> | <u>0</u> |
| Cash Flows from Investing Activities | | | | |
| Interest on Investments | <u>49,075</u> | <u>17,913</u> | <u>66,988</u> | <u>461</u> |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i> | 559,213 | 60,698 | 619,911 | 217,301 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>6,907,854</u> | <u>2,299,895</u> | <u>9,207,749</u> | <u>10,169</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u>\$7,467,067</u> | <u>\$2,360,593</u> | <u>\$9,827,660</u> | <u>\$227,470</u> |

(continued)

City of Bedford, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2017

| | Enterprise | | | Internal Service |
|--|--------------------|--------------------|--------------------|---------------------|
| | Water | Wastewater | Total | |
| Reconciliation of Operating Income (Loss) | | | | |
| to Net Cash Provided by (Used for) | | | | |
| Operating Activities | | | | |
| Operating Income (Loss) | \$1,063,894 | \$657,122 | \$1,721,016 | (\$109,798) |
| Adjustments: | | | | |
| Depreciation | 217,518 | 356,461 | 573,979 | 0 |
| (Increase) Decrease in Assets and Deferred Outflows: | | | | |
| Accounts Receivable | 10,329 | (14,891) | (4,562) | 0 |
| Interfund Receivable | 0 | 0 | 0 | 177,585 |
| Materials and Supplies Inventory | 13,480 | (2,377) | 11,103 | 0 |
| Prepaid Items | 2,228 | 2,228 | 4,456 | 0 |
| Deferred Outflows - Pension | 83,179 | 166,358 | 249,537 | 0 |
| Increase (Decrease) in Liabilities and Deferred Inflows: | | | | |
| Accounts Payable | 40,217 | (78,711) | (38,494) | 1,519 |
| Accrued Wages | 604 | (420) | 184 | 0 |
| Interfund Payable | (6,228) | (10,895) | (17,123) | 0 |
| Intergovernmental Payable | (418) | 9,130 | 8,712 | 0 |
| Vacation Benefits Payable | (2,655) | (1,762) | (4,417) | 0 |
| Net Pension Liability | 14,487 | 28,974 | 43,461 | 0 |
| Compensated Absences Payable | 16,262 | (11,591) | 4,671 | 0 |
| Claims Payable | 0 | 0 | 0 | (2,466) |
| Deferred Inflows - Pension | (19,425) | (38,849) | (58,274) | 0 |
| <i>Total Adjustments</i> | <u>369,578</u> | <u>403,655</u> | <u>773,233</u> | <u>176,638</u> |
| <i>Net Cash Provided by</i> | | | | |
| <i>(Used for) Operating Activities</i> | <u>\$1,433,472</u> | <u>\$1,060,777</u> | <u>\$2,494,249</u> | <u>\$66,840</u> |

See accompanying notes to the basic financial statements

City of Bedford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

| | |
|--|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$501,170 |
| Cash and Cash Equivalents in Segregated Accounts | <u>291,831</u> |
| <i>Total Assets</i> | <u><u>\$793,001</u></u> |
| | |
| Liabilities | |
| Deposits Held and Due to Others | <u><u>\$793,001</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, 2017

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

The City participates in two jointly governed organizations. These organizations are the Chagrin Valley Regional Dispatch Center and the Northeast Ohio Public Energy Council and are presented in Note 18 to the basic financial statements.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

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, the amounts collected by the municipal court that are paid to other governments and confiscated monies received by the SEALE Drug Task Force.

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.

City of Bedford, Ohio
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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.

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 are reported on the government-wide statement of net position for deferred charge on refunding and for pension. 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. The deferred outflows of resources related to pension are explained in Note 14.

City of Bedford, Ohio
Notes to the Basic Financial Statements
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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 until that time. For the City, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance fiscal year 2018 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 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 27. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14)

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Pooled Cash and Cash Equivalents

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

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

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

During 2017, investments were limited to repurchase agreements, money market, commercial paper, federal farm credit bank notes, federal national mortgage association notes, federal home loan mortgage corporation notes and federal home loan bank bonds.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The fair value of the money market fund is determined by the fund's current share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2017 amounted to \$48,490, of which \$663 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 expensed/expensed when used. Inventory consists of expendable supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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.

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition 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:

City of Bedford, Ohio
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For the Year Ended December 31, 2017

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

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

Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as “interfund receivables/payables.” Interfund balance amounts are eliminated in the statement of net 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 and net pension liability 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.

City of Bedford, Ohio
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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.

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.

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 legally 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) 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

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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. City Council assigned fund balance to cover a gap between estimated revenues and appropriations in 2018's budget.

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.

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 straight-line 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 received in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On fund financial statements, bond discounts are expended in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
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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.

Minimum fund balance policy

City 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 housing and urban development (HUD) rehabilitation program fund had no budgetary activity for 2017. 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 3 – Fund Balances

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

| Fund Balances | General | Public Safety | Other Governmental Funds | Total |
|---|---------------------------|-------------------------|--------------------------------|---------------------------|
| <u>Nonspendable:</u> | | | | |
| Prepays | \$58,773 | \$0 | \$31,419 | \$90,192 |
| Inventory | 130,460 | 4,971 | 0 | 135,431 |
| <i>Total Nonspendable</i> | <u>189,233</u> | <u>4,971</u> | <u>31,419</u> | <u>225,623</u> |
| <u>Restricted for:</u> | | | | |
| Public Safety Services | 0 | 164,305 | 0 | 164,305 |
| Community Development | 0 | 0 | 136,287 | 136,287 |
| State Highway Maintenance | 0 | 0 | 154,021 | 154,021 |
| Indigent Drivers Rehabilitation | 0 | 0 | 213,571 | 213,571 |
| Seale Narcotics Law Enforcement | 0 | 0 | 471,923 | 471,923 |
| Enforcement and Education - Alcohol | 0 | 0 | 5,439 | 5,439 |
| Street Lighting | 0 | 0 | 102,259 | 102,259 |
| Street Construction, Maintenance and Repair | 0 | 0 | 861,961 | 861,961 |
| Cemetery Improvements | 0 | 0 | 35,034 | 35,034 |
| Municipal Court Special Programs | 0 | 0 | 460,267 | 460,267 |
| Indigent Interlock and Monitoring | 0 | 0 | 89,970 | 89,970 |
| Refuse Collection | 0 | 0 | 115,858 | 115,858 |
| Debt service payments | 0 | 0 | 211,332 | 211,332 |
| Capital Improvements | 0 | 0 | 138,626 | 138,626 |
| Other Purposes | 0 | 0 | 322,353 | 322,353 |
| <i>Total Restricted</i> | <u>0</u> | <u>164,305</u> | <u>3,318,901</u> | <u>3,483,206</u> |
| <u>Committed to:</u> | | | | |
| Construction | 25,000 | 0 | 0 | 25,000 |
| Landscaping | 17,575 | 0 | 0 | 17,575 |
| <i>Total Committed</i> | <u>42,575</u> | <u>0</u> | <u>0</u> | <u>42,575</u> |
| <u>Assigned to:</u> | | | | |
| 2018 Operations | 1,242,995 | 0 | 0 | 1,242,995 |
| <u>Purchases on Order:</u> | | | | |
| General Government | 19,011 | 0 | 0 | 19,011 |
| Police | 765 | 0 | 0 | 765 |
| Fire | 2,196 | 0 | 0 | 2,196 |
| Leisure Time Activities | 19,515 | 0 | 0 | 19,515 |
| Transportation | 415 | 0 | 0 | 415 |
| <i>Total Assigned</i> | <u>1,284,897</u> | <u>0</u> | <u>0</u> | <u>1,284,897</u> |
| Unassigned (Deficit) | <u>4,761,381</u> | <u>0</u> | <u>(367,092)</u> | <u>4,394,289</u> |
| Total Fund Balances | <u><u>\$6,278,086</u></u> | <u><u>\$169,276</u></u> | <u><u>\$2,983,228</u></u> | <u><u>\$9,430,590</u></u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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).
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).

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 Fund and Public Safety Special Revenue Fund | | |
| | General | Public Safety |
| GAAP Basis | (\$1,662,881) | \$69,148 |
| Net Adjustment for Revenue Accruals | 29,151 | 42,135 |
| Beginning Fair Value of Adjustments for Investments | (5,477) | 0 |
| Ending Fair Value of Adjustments for Investments | 2,080 | 0 |
| Beginning Unrecorded Cash | 120,474 | 0 |
| Ending Unrecorded Cash | (154,790) | 0 |
| Net Adjustment for Expenditure Accruals | (112,697) | (67,039) |
| Encumbrances | (100,902) | (8,257) |
| Budget Basis | (\$1,885,042) | \$35,987 |

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

The City may also invest any monies not required to be used for a specific 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;
3. Obligations of the City.

Deposits

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, \$1,692,800 of the City's bank balance of \$11,259,676 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although 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 the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Two of the City's five financial institutions were in the process of joining OPCS; however, at December 31, 2017, the financial institutions still maintained their own 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 105 percent of the deposits being secured.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Standard & Poor's Rating | Percent of Total Investments |
|---|---------------------------|-----------------------|--------------------------------|------------------------------------|
| Cost: | | | | |
| Repurchase Agreements | \$759,548 | Less than 30 days | AAAm | 7.82% |
| Fair Value - Level Two Inputs: | | | | |
| Money Market Account | 1,560,779 | Less than one year | AAAm | 16.08 |
| Comercial Paper | 495,744 | Less than one year | AAA | 5.11 |
| Federal Farm Credit Bank Notes | 2,251,441 | Less than three years | AAA | 23.19 |
| Federal National Mortgage Association Notes | 3,061,035 | Less than three years | AAA | 31.53 |
| Federal Home Loan Mortgage Corporation Notes | 779,950 | Less than three years | AAA | 8.03 |
| Federal Home Loan Bank Bonds | 800,000 | Less than one year | AAA | 8.24 |
| Total Fair Value - Level Two Inputs | <u>8,948,949</u> | | | |
| Total Investments | <u><u>\$9,708,497</u></u> | | | |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has an investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

Credit Risk All investments of the City carry a rating of AAA and AAAM by Standard & Poor's. The City does not have an investment policy that addresses credit risk.

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

Note 6 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2017.

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 September 23, 2016, the City of Bedford Police Department and the Finance Department, with assistance from the Auditor of State's office, started an investigation into the City of Bedford's Water Department and possible improprieties related to water and sewer collections. 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, is remote, and that any adverse outcome from those charges would pertain to the City's employees subject to the investigation.

Note 7 - Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

At December 31, 2017, the amount of delinquent special assessments was \$443,525 in the general fund, the street lighting fund and the refuse fee fund. However, the City is making a determination on what of this amount is collectible.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$21.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

| | |
|--------------------------------------|-----------------------------|
| Real Property | |
| Residential/Agricultural | \$121,543,410 |
| Commercial Industrial/Public Utility | 89,088,210 |
| Tangible Personal Property | |
| Public Utility | 10,140,900 |
| Total | <u><u>\$220,772,520</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, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

The City of Bedford placed a 0.75 percent income tax rate and credit allowance increase issue on the ballot for May 2, 2017 (ISSUE 1), which passed by a vote of 81 percent for the tax increase. The new rate, starting January 1, 2018, will be 3.0 percent with a 100 percent credit allowance paid to another municipality, up to 2.25 percent.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

| Governmental Activities | <u>Amount</u> |
|--------------------------------|-------------------------|
| Homestead and Rollback | \$229,147 |
| Gasoline Tax | 213,883 |
| Local Government | 142,732 |
| Bedford Municipal Court | 65,520 |
| Motor Vehicle License Tax | 47,820 |
| Permissive Tax | 45,764 |
| State of Ohio | 40,430 |
| Municipal Ambulance Charges | 38,620 |
| City of Cleveland | 17,850 |
| Grants | <u>14,270</u> |
| Total | <u><u>\$856,036</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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Accountability

At December 31, 2017, the HUD Rehabilitation Program special revenue and the capital improvement capital projects funds had deficit fund balances of \$261,372 and \$105,720, respectively. The fund deficits are the result of an outstanding and unpaid loan to the HUD fund that is being reclassified to a transfer through City Council in 2018 and for unearned revenue reported for the long-term lease of City billboards. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

Note 10 - Interfund Transfers and Balances

Interfund Transfers

| Transfer To | Transfer From | | Total |
|---|---------------|--------------------------------|-------------|
| | General | Other Governmental Funds | |
| Major Funds: | | | |
| Public Safety | \$3,893,595 | \$0 | \$3,893,595 |
| Other Governmental Funds: | | | |
| Street Construction, Maintenance and Repair | 250,000 | 0 | 250,000 |
| Grants | 15,000 | 0 | 15,000 |
| General Obligation Bond Retirement | 324,910 | 31,233 | 356,143 |
| Total Other Governmental Funds | 589,910 | 31,233 | 621,143 |
| Internal Service Fund: | | | |
| Health Insurance | 150,000 | 0 | 150,000 |
| Total | \$4,633,505 | \$31,233 | \$4,664,738 |

The general fund transfers to the major and nonmajor governmental funds along with the health insurance internal service fund 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.

Interfund Balances

The interfund balance at December 31, 2017, consists of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$261,372. This loan was made to support housing rehabilitation programs and projects pending the receipt of grant money that will be used to repay the loans. This loan was expected to be repaid in one year. The program is now closed and the City is taking action in 2018 to change the interfund loan to a transfer and eliminate the interfund receivable/payable.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 11 – Capital Assets

A summary of changes in capital assets during 2017 follows:

| | Balance 12/31/16 | Additions | Deletions | Balance 12/31/17 |
|--|---------------------|----------------------|--------------------|---------------------|
| Governmental Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$3,074,135 | \$144,756 | (\$100,000) | \$3,118,891 |
| Construction in Progress | 5,320 | 103,384 | (10,253) | 98,451 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>3,079,455</u> | <u>248,140</u> | <u>(110,253)</u> | <u>3,217,342</u> |
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings and Improvements | 17,681,551 | 15,253 | 0 | 17,696,804 |
| Machinery and Equipment | 4,656,665 | 86,049 | (25,018) | 4,717,696 |
| Furniture and Fixtures | 995,658 | 7,287 | 0 | 1,002,945 |
| Vehicles | 4,588,987 | 100,725 | (114,467) | 4,575,245 |
| Infrastructure: | | | | |
| Roads | 41,838,270 | 0 | 0 | 41,838,270 |
| Traffic Signals | 1,623,693 | 0 | 0 | 1,623,693 |
| Railroad Closures/Barriers | 410,203 | 0 | 0 | 410,203 |
| Storm Sewers | 3,508,512 | 0 | 0 | 3,508,512 |
| <i>Total Capital Assets Being Depreciated</i> | <u>75,303,539</u> | <u>209,314</u> | <u>(139,485)</u> | <u>75,373,368</u> |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (5,600,180) | (386,371) | 0 | (5,986,551) |
| Machinery and Equipment | (3,673,374) | (214,085) | 21,682 | (3,865,777) |
| Furniture and Fixtures | (879,177) | (19,479) | 0 | (898,656) |
| Vehicles | (3,900,734) | (179,213) | 114,467 | (3,965,480) |
| Infrastructure: | | | | |
| Roads | (36,564,252) | (708,398) | 0 | (37,272,650) |
| Traffic Signals | (910,629) | (64,948) | 0 | (975,577) |
| Railroad Closures/Barriers | (60,463) | (11,524) | 0 | (71,987) |
| Storm Sewers | (1,252,912) | (70,171) | 0 | (1,323,083) |
| <i>Total Accumulated Depreciation</i> | <u>(52,841,721)</u> | <u>(1,654,189) *</u> | <u>136,149</u> | <u>(54,359,761)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>22,461,818</u> | <u>(1,444,875)</u> | <u>(3,336)</u> | <u>21,013,607</u> |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$25,541,273</u> | <u>(\$1,196,735)</u> | <u>(\$113,589)</u> | <u>\$24,230,949</u> |

During 2017, the City received land valued at \$100,000 in the governmental activities, donated from the County Land Bank which was subsequently sold to a developer.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

| | Balance 12/31/16 | Additions | Deletions | Balance 12/31/17 |
|--|---------------------|-----------|------------|---------------------|
| Business-Type Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$28,620 | \$0 | \$0 | \$28,620 |
| Construction in Progress | 2,467,535 | 423,129 | (12,615) | 2,878,049 |
| <i>Total Capital Assets Not Being Depreciated</i> | 2,496,155 | 423,129 | (12,615) | 2,906,669 |
| <i>Capital Assets, Being Depreciated</i> | | | | |
| Buildings and Improvements | 10,920,218 | 13,810 | 0 | 10,934,028 |
| Machinery and Equipment | 8,332,431 | 250,394 | 0 | 8,582,825 |
| Furniture and Fixtures | 93,772 | 0 | 0 | 93,772 |
| Vehicles | 710,522 | 55,904 | 0 | 766,426 |
| Infrastructure: | | | | |
| Water Lines | 8,079,887 | 6,959 | 0 | 8,086,846 |
| Sanitary Sewer Lines | 3,254,975 | 5,656 | 0 | 3,260,631 |
| <i>Total Capital Assets Being Depreciated</i> | 31,391,805 | 332,723 | 0 | 31,724,528 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (4,678,134) | (235,253) | 0 | (4,913,387) |
| Machinery and Equipment | (6,503,776) | (119,269) | 0 | (6,623,045) |
| Furniture and Fixtures | (93,772) | 0 | 0 | (93,772) |
| Vehicles | (467,335) | (42,012) | 0 | (509,347) |
| Infrastructure: | | | | |
| Water Lines | (1,531,988) | (135,224) | 0 | (1,667,212) |
| Sanitary Sewer Lines | (1,022,016) | (42,221) | 0 | (1,064,237) |
| <i>Total Accumulated Depreciation</i> | (14,297,021) | (573,979) | 0 | (14,871,000) |
| <i>Total Capital Assets Being Depreciated, Net</i> | 17,094,784 | (241,256) | 0 | 16,853,528 |
| <i>Total Business-Type Capital Assets, Net</i> | \$19,590,939 | \$181,873 | (\$12,615) | \$19,760,197 |

* Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------------|-------------|
| General Government | \$245,331 |
| Security of Persons and Property | |
| Police | 146,565 |
| Fire | 190,964 |
| Public Health and Welfare | 1,575 |
| Leisure Time Activities | 105,338 |
| Community Development | 5,600 |
| Basic Utilities Services | 619 |
| Transportation | 958,197 |
| Total | \$1,654,189 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 - Long-term Obligations

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

| | Issue Date | Maturity Date | Interest Rate | Original Issue Amount |
|---|---------------|------------------|------------------|-----------------------------|
| Governmental Activities | | | | |
| <i>General Obligation Bonds</i> | | | | |
| Various Purpose Refunding II | 2016 | 2027 | 2.18 % | \$6,035,268 |
| General Obligation Refunding Bonds I | 2013 | 2028 | 1.0-2.75 | 2,314,300 |
| Capital Improvement | 2010 | 2031 | 2.3-5.65 | 2,145,000 |
| General Obligation Refunding Bonds II | 2014 | 2031 | 2.25-4.0 | 835,000 |
| <i>Ohio Public Works Commission Loans</i> | | | | |
| Wandle Avenue | 2001 | 2021 | 0.00 | 518,579 |
| Broadway Culvert | 2011 | 2031 | 0.00 | 492,432 |
| <i>Police Pension</i> | 1968 | 2035 | 4.25 | 245,922 |
| Business-Type Activities | | | | |
| <i>General Obligation Bonds</i> | | | | |
| <i>Water</i> | | | | |
| Washington Street Water Refunding | 2016 | 2026 | 2.18 | 389,270 |
| Water Meter | 2016 | 2020 | 2.1 | 1,400,000 |
| Capital Improvement | 2010 | 2036 | 2.3-5.65 | 1,625,000 |
| General Obligation Refunding Bonds I | 2013 | 2038 | 1.0-3.5 | 1,770,000 |
| General Obligation Refunding Bonds II | 2014 | 2036 | 2.25-4.0 | 1,145,000 |
| <i>Wastewater</i> | | | | |
| Sewer Improvement Refunding Bonds II | 2016 | 2022 | 2.18 | 304,212 |
| Capital Improvement | 2010 | 2036 | 2.3-5.65 | 1,320,000 |
| General Obligation Refunding Bonds I | 2013 | 2038 | 1.0-3.5 | 3,555,700 |
| General Obligation Refunding Bonds II | 2014 | 2036 | 2.25-4.0 | 920,000 |
| <i>Ohio Water Development Loans</i> | | | | |
| <i>Wastewater</i> | | | | |
| Rapid Sandfilter | 2002 | 2023 | 3.90 | 2,427,022 |
| <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> | | | | |
| Oxidation Tower Improvements | 2004 | 2025 | 0.00 | 822,286 |
| Sludge Thickener | 2008 | 2029 | 0.00 | 200,336 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Changes in long-term obligations during the year ended December 31, 2017, consisted of the following:

| | Balance 12/31/16 | Increase | Decrease | Balance 12/31/17 | Amounts Due in One Year |
|---|---------------------|-------------|-------------|---------------------|-------------------------------|
| Governmental Activities | | | | | |
| <i>General Obligation Bonds</i> | | | | | |
| Various Purpose Refunding Bonds II | \$6,035,268 | \$0 | \$672,178 | \$5,363,090 | \$720,004 |
| General Obligation Refunding Bonds I | | | | | |
| Serial | 1,275,000 | 0 | 90,000 | 1,185,000 | 120,000 |
| Premium | 40,636 | 0 | 3,484 | 37,152 | 0 |
| Total General Obligation Bonds I | 1,315,636 | 0 | 93,484 | 1,222,152 | 120,000 |
| Capital Improvement Bonds | | | | | |
| Serial | 605,000 | 0 | 150,000 | 455,000 | 150,000 |
| Premium | 8,694 | 0 | 2,371 | 6,323 | 0 |
| Total Capital Improvement Bonds | 613,694 | 0 | 152,371 | 461,323 | 150,000 |
| General Obligation Refunding Bonds II | 835,000 | 0 | 0 | 835,000 | 0 |
| Premium | 32,725 | 0 | 3,156 | 29,569 | 0 |
| Total General Obligation Bonds II | 867,725 | 0 | 3,156 | 864,569 | 0 |
| <i>Total General Obligation Bonds</i> | 8,832,323 | 0 | 921,189 | 7,911,134 | 990,004 |
| <i>Ohio Public Works Commission Loans</i> | | | | | |
| Wandle Avenue | 103,715 | 0 | 25,929 | 77,786 | 25,929 |
| Broadway Culvert | 388,764 | 0 | 25,917 | 362,847 | 25,920 |
| <i>Total Ohio Public Works Commission Loans</i> | 492,479 | 0 | 51,846 | 440,633 | 51,849 |
| <i>Other Long-Term Obligations</i> | | | | | |
| Net Pension Liability | | | | | |
| OPERS | 6,985,816 | 1,858,694 | 0 | 8,844,510 | 0 |
| OP&F | 13,975,844 | 823,883 | 0 | 14,799,727 | 0 |
| <i>Total Net Pension Liability</i> | 20,961,660 | 2,682,577 | 0 | 23,644,237 | 0 |
| Police Pension | 156,177 | 0 | 5,719 | 150,458 | 5,964 |
| Capital Leases Payable | 61,996 | 0 | 22,268 | 39,728 | 16,634 |
| Compensated Absences Payable | 1,597,703 | 751,043 | 692,399 | 1,656,347 | 769,349 |
| <i>Total Other Long-Term Obligations</i> | 22,777,536 | 3,433,620 | 720,386 | 25,490,770 | 791,947 |
| <i>Total Governmental Activities</i> | \$32,102,338 | \$3,433,620 | \$1,693,421 | \$33,842,537 | \$1,833,800 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

| | Balance 12/31/16 | Increase | Decrease | Balance 12/31/17 | Amounts Due in One Year |
|---|---------------------|----------|-----------|---------------------|-------------------------------|
| Business-Type Activities | | | | | |
| Washington Street Water Refunding | \$389,270 | \$0 | \$32,762 | \$356,508 | \$35,427 |
| Water Meter | 1,129,000 | 0 | 274,000 | 855,000 | 279,000 |
| Capital Improvement Bonds | | | | | |
| Serial | 215,000 | 0 | 50,000 | 165,000 | 55,000 |
| Unamortized Premium | 3,030 | 0 | 827 | 2,203 | 0 |
| Total Capital Improvement - Water | 218,030 | 0 | 50,827 | 167,203 | 55,000 |
| General Obligation Refunding Bonds I | | | | | |
| Serial | 955,000 | 0 | 100,000 | 855,000 | 50,000 |
| Term | 465,000 | 0 | 0 | 465,000 | 0 |
| Unamortized Premium | 29,214 | 0 | 2,456 | 26,758 | 0 |
| Unamortized Discount | (10,316) | 0 | (483) | (9,833) | 0 |
| Total General Obligation Bonds I - Water | 1,438,898 | 0 | 101,973 | 1,336,925 | 50,000 |
| General Obligation Refunding Bonds II | 1,140,000 | 0 | 0 | 1,140,000 | 0 |
| Unamortized Premium | 65,164 | 0 | 3,261 | 61,903 | 0 |
| Total General Obligation Bonds II - Water | 1,205,164 | 0 | 3,261 | 1,201,903 | 0 |
| Sewer Improvement Refunding II | 304,212 | 0 | 50,710 | 253,502 | 46,889 |
| Capital Improvement Bonds | | | | | |
| Serial | 175,000 | 0 | 40,000 | 135,000 | 45,000 |
| Unamortized Premium | 2,525 | 0 | 689 | 1,836 | 0 |
| Total Capital Improvement - Sewer | 177,525 | 0 | 40,689 | 136,836 | 45,000 |
| General Obligation Refunding Bonds I | | | | | |
| Serial | 2,765,000 | 0 | 145,000 | 2,620,000 | 145,000 |
| Term | 215,000 | 0 | 0 | 215,000 | 0 |
| Unamortized Premium | 82,864 | 0 | 5,060 | 77,804 | 0 |
| Unamortized Discount | (8,790) | 0 | (537) | (8,253) | 0 |
| Total General Obligation Bonds I - Sewer | 3,054,074 | 0 | 149,523 | 2,904,551 | 145,000 |
| General Obligation Refunding Bonds II | 920,000 | 0 | 0 | 920,000 | 0 |
| Unamortized Premium | 52,736 | 0 | 2,639 | 50,097 | 0 |
| Total General Obligation Bonds II - Sewer | 972,736 | 0 | 2,639 | 970,097 | 0 |
| <i>Total General Obligation Bonds</i> | 8,888,909 | 0 | 706,384 | 8,182,525 | 656,316 |
| <i>OWDA Loans</i> | | | | | |
| Rapid Sandfilter | \$1,068,445 | \$0 | \$135,530 | \$932,915 | \$140,867 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

| | Balance 12/31/16 | Increase | Decrease | Balance 12/31/17 | Amounts Due in One Year |
|--|---------------------|------------------|------------------|---------------------|-------------------------------|
| Business-Type Activities | | | | | |
| <i>OPWC Loans</i> | | | | | |
| Northfield Road Water Line | \$250,000 | \$0 | \$20,000 | \$230,000 | \$20,000 |
| Grand, Franklin Water Line | 351,850 | 0 | 22,700 | 329,150 | 22,700 |
| Oxidation Tower Improvements | 349,473 | 0 | 41,115 | 308,358 | 41,115 |
| Sludge Thickener | 125,209 | 0 | 10,017 | 115,192 | 10,016 |
| <i>Total OPWC Loans</i> | <u>1,076,532</u> | <u>0</u> | <u>93,832</u> | <u>982,700</u> | <u>93,831</u> |
| <i>Other Long-Term Liabilities</i> | | | | | |
| Net Pension Liability OPERS: | | | | | |
| Water | 511,157 | 136,003 | 0 | 647,160 | 0 |
| Wastewater | 1,022,315 | 272,004 | 0 | 1,294,319 | 0 |
| <i>Total Net Pension Liability</i> | <u>1,533,472</u> | <u>408,007</u> | <u>0</u> | <u>1,941,479</u> | <u>0</u> |
| Compensated Absences | 32,396 | 7,994 | 3,323 | 37,067 | 346 |
| <i>Total Other Long-Term Liabilities</i> | <u>1,565,868</u> | <u>416,001</u> | <u>3,323</u> | <u>1,978,546</u> | <u>346</u> |
| <i>Total Business-Type Activities</i> | <u>\$12,599,754</u> | <u>\$416,001</u> | <u>\$939,069</u> | <u>\$12,076,686</u> | <u>\$891,360</u> |

General obligation bonds will be paid from the general obligation bond retirement debt service fund as well as user charges from the appropriate enterprise fund. A portion of the general obligation bonds, specifically for the construction of the municipal complex and the court, is backed by a .25 percent municipal income tax and a municipal court fee added to court cases, respectively.

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 in the enterprise funds.

Compensated absences will be paid from the general fund, street construction maintenance and repair and public safety special revenue funds and water and wastewater enterprise funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: general fund, street construction maintenance and repair and public safety special revenue funds and water and wastewater enterprise funds. For additional information related to the net pension liability see Note 14. The capital leases payable will be paid from the general fund. The police pension loan will be paid from the general fund.

In 2016, the City issued various purpose refunding bonds, in the amount of \$6,035,268 to refund the 2006 various purpose 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, 2017, \$5,336,400 of the defeased bonds are still outstanding.

City of Bedford, Ohio
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For the Year Ended December 31, 2017

In 2013, the City issued general obligation refunding bonds, in the amounts of \$2,314,300, \$1,770,000 and \$3,555,700, respectively, for governmental, water and sewer debt issuances, to refund the 2002 various purpose 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, 2017, \$175,000 of the defeased bonds are still outstanding.

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. In 2014, the BABs portion of this debt issue were refunded. The bonds will be repaid from the bond retirement debt service fund and the water and sewer enterprise funds.

In 2014, the City issued general obligation bonds, in the amount of \$2,900,000, to currently refund the Build America Bonds previously issued in 2010 for capital improvements. The bonds were issued with interest rates varying from 2.25 percent to 4 percent. The bonds were issued for a twenty-three year period with a final maturity during 2036. The bonds will be retired through the bond retirement debt service fund and the water and sewer enterprise funds.

In 2016, the City issued Washington Street water and sewer improvement refunding bonds, in the amounts of \$389,270 and \$304,212, respectively, to refund the 2006 various purpose 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, 2017, \$598,600 of the defeased bonds are still outstanding.

In 2016, the City issued various purpose general obligation bonds, in the amount of \$1,400,000 in the water fund, as a new debt issuance specific to the installation of water meters. The bonds were issued with a 2.1 percent interest rate. The bonds were issued for a five year period with a final maturity during 2020.

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 21.65 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$1,478,894. Principal and interest paid for the current year and total net revenues available were \$217,709 and \$1,005,561, respectively.

City of Bedford, Ohio
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The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the water fund. The debt is payable solely from net revenues through 2032. Annual principal payments on the debt issues are expected to require 3.27 percent of net revenues. The total principal remaining to be paid on the debt is \$559,150. Principal paid for the current year and total net revenues available were \$42,700 and \$1,307,251, respectively.

The City's overall legal debt margin was \$19,500,122 at December 31, 2017. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2017, are as follows:

Governmental Activities

| Year | General Obligation Bonds | | Police Pension | | OPWC Loan |
|-----------|--------------------------|------------------|------------------|-----------------|------------------|
| | Principal | Interest | Principal | Interest | |
| 2018 | \$990,004 | \$181,765 | \$5,964 | \$6,332 | \$51,849 |
| 2019 | 1,008,517 | 160,893 | 6,221 | 6,075 | 51,846 |
| 2020 | 707,994 | 139,277 | 6,488 | 5,808 | 51,846 |
| 2021 | 724,019 | 122,182 | 6,767 | 5,530 | 25,917 |
| 2022 | 699,173 | 105,506 | 7,057 | 5,239 | 25,918 |
| 2023-2027 | 3,553,383 | 272,508 | 40,101 | 21,380 | 129,587 |
| 2028-2032 | 155,000 | 7,163 | 49,487 | 12,025 | 103,670 |
| 2033-2035 | 0 | 0 | 28,373 | 1,811 | 0 |
| Total | <u>\$7,838,090</u> | <u>\$989,294</u> | <u>\$150,458</u> | <u>\$64,200</u> | <u>\$440,633</u> |

Business-Type Activities

| Year | General Obligation Bonds | | OWDA Loans | | OPWC Loan |
|-----------|--------------------------|--------------------|------------------|------------------|------------------|
| | Principal | Interest | Principal | Interest | |
| 2018 | \$656,316 | \$229,591 | \$140,867 | \$35,024 | \$93,831 |
| 2019 | 665,933 | 216,762 | 146,415 | 29,476 | 93,830 |
| 2020 | 681,376 | 203,513 | 152,180 | 23,710 | 93,832 |
| 2021 | 395,571 | 186,682 | 158,173 | 17,717 | 93,831 |
| 2022 | 410,757 | 176,308 | 164,402 | 11,488 | 93,831 |
| 2023-2027 | 1,895,057 | 731,178 | 170,878 | 5,014 | 366,371 |
| 2028-2032 | 1,970,000 | 444,659 | 0 | 0 | 147,174 |
| 2033-2037 | 1,220,000 | 125,686 | 0 | 0 | 0 |
| 2038 | 85,000 | 2,975 | 0 | 0 | 0 |
| Total | <u>\$7,980,010</u> | <u>\$2,317,354</u> | <u>\$932,915</u> | <u>\$122,429</u> | <u>\$982,700</u> |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 13 - Capital Leases

The City entered into lease agreements for a copier and postage meter. The City's lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of December 31, 2017 follows:

| | Amounts |
|--------------------------------|-----------|
| Asset: | |
| Equipment | \$110,750 |
| Less: Accumulated Depreciation | (68,024) |
| Current Book Value | \$42,726 |

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

| Year Ending December 31, | |
|--------------------------------|----------|
| 2018 | \$16,634 |
| 2019 | 13,892 |
| 2020 | 9,202 |
| Present Value of Minimum Lease | \$39,728 |

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 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

City of Bedford, Ohio
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GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
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Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local |
|--|--------------------|
| 2017 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2017 Actual Contribution Rates | |
| Employer: | |
| Pension | 13.0 % |
| Post-employment Health Care Benefits | 1.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$801,470 for 2017. Of this amount, \$89,797 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Bedford, Ohio
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Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | Police | Firefighters |
|--|---------|--------------|
| 2017 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2017 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,132,978 for 2017. Of this amount, \$102,382 is reported as an intergovernmental payable.

City of Bedford, Ohio
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For the Year Ended December 31, 2017

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2017, the specific liability of the City was \$150,458, payable in semi-annual payments through the year 2035.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | <u>OPERS</u> | <u>OP&F</u> | |
|--|--------------------|-------------------|--------------|
| Proportion of the Net Pension Liability: | | | |
| Current Measurement Date | 0.047498% | 0.2336590% | |
| Prior Measurement Date | <u>0.049184%</u> | <u>0.2172500%</u> | |
| Change in Proportionate Share | <u>-0.0016860%</u> | <u>0.0164090%</u> | |
| | | | <u>Total</u> |
| Proportionate Share of the Net Pension Liability | \$10,785,989 | \$14,799,727 | \$25,585,716 |
| Pension Expense | \$2,105,493 | \$1,548,556 | \$3,654,049 |

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$14,620 | \$4,187 | \$18,807 |
| Changes of assumptions | 1,710,790 | 0 | 1,710,790 |
| Net difference between projected and actual earnings on pension plan investments | 1,606,282 | 1,439,208 | 3,045,490 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 741,385 | 741,385 |
| City contributions subsequent to the measurement date | <u>801,470</u> | <u>1,132,978</u> | <u>1,934,448</u> |
| Total Deferred Outflows of Resources | <u>\$4,133,162</u> | <u>\$3,317,758</u> | <u>\$7,450,920</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$64,193 | \$34,076 | \$98,269 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>275,365</u> | <u>1,397,510</u> | <u>1,672,875</u> |
| Total Deferred Inflows of Resources | <u>\$339,558</u> | <u>\$1,431,586</u> | <u>\$1,771,144</u> |

City of Bedford, Ohio
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\$1,934,448 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ending December 31: | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|--------------------|------------------|--------------------|
| 2018 | \$1,165,893 | \$357,993 | \$1,523,886 |
| 2019 | 1,308,202 | 357,993 | 1,666,195 |
| 2020 | 565,122 | 227,569 | 792,691 |
| 2021 | (47,083) | (286,249) | (333,332) |
| 2022 | 0 | 81,273 | 81,273 |
| Thereafter | <u>0</u> | <u>14,615</u> | <u>14,615</u> |
| Total | <u>\$2,992,134</u> | <u>\$753,194</u> | <u>\$3,745,328</u> |

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|---|--|---|
| Wage Inflation | 3.25 percent | 3.75 percent |
| Future Salary Increases, including inflation | 3.25 to 10.05 percent including wage inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | 3 percent, simple through 2018, then 2.15 percent, simple | 3 percent, simple through 2018, then 2.8 percent, simple |
| Investment Rate of Return | 7.5 percent | 8 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used,

City of Bedford, Ohio
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adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

City of Bedford, Ohio
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For the Year Ended December 31, 2017

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 23.00 % | 2.75 % |
| Domestic Equities | 20.70 | 6.34 |
| Real Estate | 10.00 | 4.75 |
| Private Equity | 10.00 | 8.97 |
| International Equities | 18.30 | 7.95 |
| Other investments | 18.00 | 4.92 |
| Total | 100.00 % | 5.66 % |

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| City’s proportionate share of the net pension liability | \$16,478,006 | \$10,785,989 | \$6,042,696 |

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

| | |
|----------------------------|--|
| Valuation Date | January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.25 percent |
| Projected Salary Increases | 4.25 percent to 11 percent |
| Payroll Increases | 3.75 percent |
| Inflation Assumptions | 3.25 percent |
| | plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--|-------------------|--|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 16.00 | 5.21 |
| Non-US Equity | 16.00 | 5.40 |
| Core Fixed Income * | 20.00 | 2.37 |
| Global Inflation Protected Securities* | 20.00 | 2.33 |
| High Yield | 15.00 | 4.48 |
| Real Estate | 12.00 | 5.65 |
| Private Markets | 8.00 | 7.99 |
| Timber | 5.00 | 6.87 |
| Master Limited Partnerships | 8.00 | 7.36 |
| Total | 120.00 % | |

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

| | 1% Decrease (7.25%) | Current Discount Rate (8.25%) | 1% Increase (9.25%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$19,711,482 | \$14,799,727 | \$10,636,947 |

Changes between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City’s net pension liability.

Note 15 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The 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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS’ CAFR referenced below for additional information.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016 and 2015 was \$61,652, \$122,802, and \$122,441, respectively. For 2017, 89.60 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Police and Fire Pension Fund

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

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, 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 Government Accounting Standards Board (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, 2017

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 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 is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contribution to OP&F for the years ended December 31, 2017, 2016 and 2015 were \$1,112,465, \$996,426 and \$1,027,462, respectively, of which \$26,290, \$23,003 and \$23,638, respectively, was allocated to the healthcare plan. For 2017, 91.00 percent has been contributed for both police and firefighters with the balance being reported as an *intergovernmental payable*. The full amount has been contributed for 2016 and 2015.

Note 16 – 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>Proprietary Funds:</i> | |
|-----------------------------------|-------------------------|----------------------------------|------------------|
| General | \$100,902 | Water | \$75,963 |
| Public Safety | 8,257 | Wastewater | 249,318 |
| Other Governmental Funds | 287,740 | Total Proprietary | <u>\$325,281</u> |
| Total Governmental | <u><u>\$396,899</u></u> | | |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Contractual Commitments

As of December 31, 2017, the City had the following contract balances for various construction projects:

| | |
|---|-------------------------|
| Replace Primary Digester Cover | \$130,413 |
| Water Meter Replacements | 57,014 |
| Demolition of Structures | 21,500 |
| Replace Pumps in Other Stations | 14,807 |
| Archer Road Pump Station Rehabilitation | 12,078 |
| Total | <u><u>\$235,812</u></u> |

Remaining commitment amounts were encumbered at year end.

Note 17 - Risk Management

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

| <u>Type of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|---|--------------------------|-------------------|
| Automobile Liability | \$5,000,000 | \$0 |
| General Liability | 5,000,000 per occurrence | 1,000 |
| Property Liability | 50,343,082 | 1,000 |
| Boiler and Machinery | 10,000,000 | 1,000 |
| Emergency Medical Services Liability | 5,000,000 per occurrence | 1,000 |
| Law Enforcement Liability | 5,000,000 per occurrence | 2,500 |
| Public Officials Liability | 5,000,000 | 2,500 |
| Employee Benefit Liability | 1,000,000 aggregate | 2,500 |
| Uninsured Motorists | 100,000 | 0 |
| Stop Gap | 1,000,000 aggregate | 2,500 |
| Municipal Attorney and Law Director Liability | 1,000,000 aggregate | 2,500 |
| Fire Damage Liability | 100,000 | 1,000 |
| Electric Software and Data Processing | 5,000,000 | 1,000 |
| Cyber Risk Security | 1,000,000 aggregate | 10,000 |

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.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 \$150,000 per individual. The departments are charged an amount annually equal to the estimated costs for the year divided by the number of qualified covered employees. The Bedford Municipal Court is charged actual costs of administration and claims of their plan.

The claims liability of \$185,288 as estimated by the third party administrator and reported in the health insurance internal service fund at December 31, 2017, 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 2016 and 2017 were as follows:

| | Balance at Beginning of Year | Current Year Claims | Claim Payments | Balance at End of Year |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2016 | \$133,287 | \$2,304,645 | \$2,250,178 | \$187,754 |
| 2017 | 187,754 | 2,022,502 | 2,024,968 | 185,288 |

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

Note 18 – Jointly Governed Organizations

Southeast Emergency Communication Center

The City was a member of the Southeast Emergency Communication Center (SECC) during 2017. Over the course of 2017, the City withdrew participation from the SECC to become a member of the Chagrin Valley Regional Dispatch Center. The City of Bedford contributed \$350,712 to SECC during 2017. Financial information can be obtained by contacting Greg Duber, Administrator, 5661 Perkins Road, Bedford Heights, Ohio 44146.

Chagrin Valley Regional Dispatch Center

The City is a member of the Chagrin Valley Regional Dispatch Center (CVRDC). The CVRDC was formed by a Council of Governments to foster cooperation through the sharing of operations of a central dispatch center for safety forces of the participating entities. The CVRDC is comprised of 21 communities.

The CVRDC is provided with legislative oversight from the Mayors and City Managers of the various communities. The Administrative Board consists of the chiefs of police and fire of each member municipality. The Board oversees and manages the operation of the program. The degree of control exercised by any participating government is limited to its representation on the Board. The City of Bedford contributed \$342,773 to the CVRDC during 2017. Financial information can be obtained by contacting Vic Nogalo (vnogalo@aol.com), Administrator, 88 Center Street, Bedford, Ohio 44146.

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. This agency is not associated with any material accounts with the City finances itself (they are limited to 700 units or less of consumption).

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors.

The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Bedford did not contribute to NOPEC during 2017. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Note 19 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 20 - Tax Abatement Disclosures

As of December 31, 2017, the City of Bedford provides tax incentives under two programs: The Community Reinvestment Area (CRA) and The Economic Development Job Creation and Retention Program.

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 5709, 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 City of Bedford authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvement have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements. The City of Bedford also contracts with the Bedford City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

Income tax abatement programs

The City of Bedford created the Economic Development Job Creation and Retention Program in 2003, the purpose of the program is to maintain Bedford's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are to be created by the company. During 2017, the cap on the incentive is \$22,500 per year, with an incentive period of no more than 10 years. Starting in 2018, the cap will become \$30,000 per year with an incentive period of no more than 10 years, as the withholding wage rate will increase from 2.25 percent to 3 percent.

City Council's incentive criteria for decision making

The City of Bedford has offered tax incentives and CRA abatements to various businesses based upon substantial project investment into the City. The City considers projects that have at least a \$1 million dollar real estate investment into a property, along with the retention and creation of at least 5 jobs with a payroll increasing at least \$1 million dollars annually. There have been a few CRA tax abatement transactions in the past that were less than the criteria above, however, these projects rehabilitated some areas of the city needing improvement with much success. One project was given incentives to a business to clean up a brownfield making way for new businesses thereby, increasing real estate values on this site and employment as well.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2017.

| Tax Abatement Program | Total Amount of Taxes Abated (Incentives Abated) For the year 2017 (In Actual Dollars) |
|--|--|
| <i>Community Reinvestment Area (CRA)</i> | |
| - Manufacturing | \$37,427 |
| - Retail | 19,992 |
| - Professional Buildings | 13,969 |
| <i>Economic Development Job Creation and Retention Program</i> | |
| - Manufacturing | 12,587 |
| - Professional Buildings | 22,500 |

Pursuant to Section 5709.82 of the Ohio Revised Code, The City of Bedford and the Bedford City School District in line with section 5709.82 of the Ohio Revised Code, created various Community Reinvestment Area Compensation Agreements. These agreements stating various reimbursement percentages (30 percent, 15 percent and 10 percent), require municipal income tax revenue sharing with the Bedford City School District when new income tax collections exceed \$1 million dollars and the corresponding CRA abatement percentage on the project is greater than 50 percent.

The following are the required amounts of income tax dollars paid by the City to the Bedford City School District in 2017:

| | | |
|-----------------|--|----------|
| - Manufacturing | 15 percent of Municipal Income Tax Revenue | \$5,030 |
| - Manufacturing | 10 percent of Municipal Income Tax Revenue | 13,653 |
| - Retail | 15 percent of Municipal Income Tax Revenue | 14,365 |
| Total | | \$33,048 |

City of Bedford, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017



Required Supplementary Information

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Four Years (1)

| | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.047498% | 0.049184% | 0.052268% | 0.052268% |
| City's Proportionate Share of the Net Pension Liability | \$10,785,989 | \$8,519,288 | \$6,304,105 | \$6,161,716 |
| City's Covered Payroll | \$6,140,117 | \$6,122,082 | \$6,408,142 | \$6,729,755 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 175.66% | 139.16% | 98.38% | 91.56% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 77.25% | 81.08% | 86.45% | 86.36% |

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented as of the City's measurement date which is the prior year end.

City of Bedford Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Police and Fire Pension Fund
Last Four Years (1)

| | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.2336590% | 0.2172500% | 0.2588985% | 0.2588985% |
| City's Proportionate Share of the Net Pension Liability | \$14,799,727 | \$13,975,844 | \$13,412,022 | \$12,609,169 |
| City's Covered Payroll | \$4,600,577 | \$4,727,478 | \$5,111,638 | \$5,257,964 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 321.69% | 295.63% | 262.38% | 239.81% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 68.36% | 67.77% | 71.71% | 73.00% |

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented as of the City's measurement date which is the prior year end.

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$801,470 | \$736,814 | \$734,650 | \$768,977 | \$874,868 |
| Contributions in Relation to the Contractually Required Contribution | <u>(801,470)</u> | <u>(736,814)</u> | <u>(734,650)</u> | <u>(768,977)</u> | <u>(874,868)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$6,165,154 | \$6,140,117 | \$6,122,082 | \$6,408,142 | \$6,729,755 |
| Contributions as a Percentage of Covered Payroll | 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.



City of BEDFORD, Ohio

City of Bedford, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|------------------|--------------------|--------------------|
| Contractually Required Contribution | \$1,132,978 | \$973,423 | \$1,003,825 | \$1,083,473 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,132,978)</u> | <u>(973,423)</u> | <u>(1,003,825)</u> | <u>(1,083,473)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$5,343,998 | \$4,600,577 | \$4,727,478 | \$5,111,638 |
| Contributions as a Percentage of Covered Payroll | 21.20% | 21.16% | 21.23% | 21.20% |

| <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$948,595 | \$688,643 | \$676,821 | \$680,801 | \$629,618 | \$658,587 |
| <u>(948,595)</u> | <u>(688,643)</u> | <u>(676,821)</u> | <u>(680,801)</u> | <u>(629,618)</u> | <u>(658,587)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$5,257,964 | \$4,635,599 | \$4,586,587 | \$4,613,054 | \$4,269,366 | \$4,428,420 |
| 18.04% | 14.86% | 14.76% | 14.76% | 14.75% | 14.87% |

City of Bedford, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

| | December 31, 2017 | December 31, 2016 and Prior |
|---|--|---|
| Wage Inflation | 3.25 percent | 3.75 percent |
| Future Salary Increases, including inflation | 3.25 to 10.05 percent including wage inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | 3 percent, simple through 2018, then 2.15 percent, simple | 3 percent, simple through 2018, then 2.8 percent, simple |
| Investment Rate of Return | 7.5 percent | 8 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

COMBINING

SECTION



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

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

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

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

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

Enforcement and Education Fund - To account for and report restricted intergovernmental monies 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 fines and forfeitures 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. This fund had no budgetary activity for 2017.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Refuse Fee Fund - To account for and report the collection of special assessments restricted for waste collection.

Nonmajor Debt Service Fund

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.

Nonmajor Capital Projects Funds

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

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

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

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,859,950 | \$211,332 | \$1,133,319 | \$4,204,601 |
| Accounts Receivable | 939 | 0 | 33,868 | 34,807 |
| Intergovernmental Receivable | 382,385 | 0 | 0 | 382,385 |
| Prepaid Items | 31,419 | 0 | 0 | 31,419 |
| Special Assessments Receivable | 1,155,653 | 0 | 0 | 1,155,653 |
| <i>Total Assets</i> | <u>\$4,430,346</u> | <u>\$211,332</u> | <u>\$1,167,187</u> | <u>\$5,808,865</u> |
| Liabilities | | | | |
| Accounts Payable | \$61,553 | \$0 | \$10,350 | \$71,903 |
| Accrued Wages | 4,827 | 0 | 0 | 4,827 |
| Intergovernmental Payable | 1,642 | 0 | 0 | 1,642 |
| Interfund Payable | 261,372 | 0 | 0 | 261,372 |
| Unearned Revenue | 0 | 0 | 1,123,931 | 1,123,931 |
| <i>Total Liabilities</i> | <u>329,394</u> | <u>0</u> | <u>1,134,281</u> | <u>1,463,675</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 1,361,962 | 0 | 0 | 1,361,962 |
| Fund Balances | | | | |
| Nonspendable | 31,419 | 0 | 0 | 31,419 |
| Restricted | 2,968,943 | 211,332 | 138,626 | 3,318,901 |
| Unassigned (Deficit) | (261,372) | 0 | (105,720) | (367,092) |
| <i>Total Fund Balances</i> | <u>2,738,990</u> | <u>211,332</u> | <u>32,906</u> | <u>2,983,228</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$4,430,346</u> | <u>\$211,332</u> | <u>\$1,167,187</u> | <u>\$5,808,865</u> |

City of Bedford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Other Governmental Funds |
|---|--------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|
| Revenues | | | | |
| Municipal Income Taxes | \$0 | \$870,034 | \$0 | \$870,034 |
| Charges for Services | 1,485 | 0 | 0 | 1,485 |
| Fines and Forfeitures | 181,533 | 0 | 119,673 | 301,206 |
| Intergovernmental | 1,074,739 | 0 | 58,644 | 1,133,383 |
| Special Assessments | 1,100,559 | 0 | 0 | 1,100,559 |
| Contributions and Donations | 12,855 | 0 | 0 | 12,855 |
| Interest | 16,641 | 8,270 | 7,881 | 32,792 |
| Other | 223,476 | 0 | 66,870 | 290,346 |
| <i>Total Revenues</i> | <u>2,611,288</u> | <u>878,304</u> | <u>253,068</u> | <u>3,742,660</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 103,531 | 0 | 0 | 103,531 |
| Security of Persons and Property: | | | | |
| Police | 486,884 | 0 | 0 | 486,884 |
| Fire | 14,998 | 0 | 0 | 14,998 |
| Public Health and Welfare | 64,895 | 0 | 0 | 64,895 |
| Leisure Time Activities | 20,553 | 0 | 0 | 20,553 |
| Community Development | 55,064 | 0 | 0 | 55,064 |
| Basic Utility Services | 1,028,260 | 0 | 0 | 1,028,260 |
| Transportation | 738,628 | 0 | 0 | 738,628 |
| Capital Outlay | 0 | 0 | 112,820 | 112,820 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 964,024 | 0 | 964,024 |
| Interest and Fiscal Charges | 0 | 231,759 | 0 | 231,759 |
| <i>Total Expenditures</i> | <u>2,512,813</u> | <u>1,195,783</u> | <u>112,820</u> | <u>3,821,416</u> |
| <i>Excess of Revenues</i> <i>Over (Under) Expenditures</i> | <u>98,475</u> | <u>(317,479)</u> | <u>140,248</u> | <u>(78,756)</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 22,012 | 0 | 0 | 22,012 |
| Transfers In | 265,000 | 356,143 | 0 | 621,143 |
| Transfers Out | (31,233) | 0 | 0 | (31,233) |
| <i>Total Other Financing Sources (Uses)</i> | <u>255,779</u> | <u>356,143</u> | <u>0</u> | <u>611,922</u> |
| <i>Net Change in Fund Balances</i> | 354,254 | 38,664 | 140,248 | 533,166 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>2,384,736</u> | <u>172,668</u> | <u>(107,342)</u> | <u>2,450,062</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$2,738,990</u></u> | <u><u>\$211,332</u></u> | <u><u>\$32,906</u></u> | <u><u>\$2,983,228</u></u> |

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

| | Community Development Block Grant | State Highway | Indigent Drivers |
|---|--|------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$136,287 | \$161,061 | \$211,203 |
| Accounts Receivable | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 19,599 | 2,368 |
| Prepaid Items | 0 | 0 | 0 |
| Special Assessments Receivable | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$136,287</u> | <u>\$180,660</u> | <u>\$213,571</u> |
| Liabilities | | | |
| Accounts Payable | \$0 | \$13,519 | \$0 |
| Accrued Wages | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>13,519</u> | <u>0</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 0 | 13,120 | 0 |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 136,287 | 154,021 | 213,571 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>136,287</u> | <u>154,021</u> | <u>213,571</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$136,287</u> | <u>\$180,660</u> | <u>\$213,571</u> |

| <u>SEALE Narcotics</u> | <u>Enforcement and Education</u> | <u>Street Lighting</u> | <u>Street Construction, Maintenance and Repair</u> | <u>Law Enforcement Trust</u> |
|----------------------------|--------------------------------------|----------------------------|--|--------------------------------------|
| \$407,050 | \$5,439 | \$124,293 | \$801,118 | \$31,516 |
| 0 | 0 | 0 | 939 | 0 |
| 64,873 | 0 | 0 | 242,103 | 0 |
| 17,146 | 0 | 0 | 0 | 0 |
| 0 | 0 | 371,093 | 0 | 0 |
| <u>\$489,069</u> | <u>\$5,439</u> | <u>\$495,386</u> | <u>\$1,044,160</u> | <u>\$31,516</u> |
| \$0 | \$0 | \$22,034 | \$13,779 | \$0 |
| 0 | 0 | 0 | 4,827 | 0 |
| 0 | 0 | 0 | 1,642 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>22,034</u> | <u>20,248</u> | <u>0</u> |
| <u>0</u> | <u>0</u> | <u>371,093</u> | <u>161,951</u> | <u>0</u> |
| 17,146 | 0 | 0 | 0 | 0 |
| 471,923 | 5,439 | 102,259 | 861,961 | 31,516 |
| 0 | 0 | 0 | 0 | 0 |
| <u>489,069</u> | <u>5,439</u> | <u>102,259</u> | <u>861,961</u> | <u>31,516</u> |
| <u>\$489,069</u> | <u>\$5,439</u> | <u>\$495,386</u> | <u>\$1,044,160</u> | <u>\$31,516</u> |

(continued)

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

| | Motor Vehicle License | Grants | Municipal Court Special Programs |
|---|-----------------------------|-----------------|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$186,245 | \$69,935 | \$468,348 |
| Accounts Receivable | 0 | 0 | 0 |
| Intergovernmental Receivable | 45,764 | 6,667 | 0 |
| Prepaid Items | 0 | 0 | 14,273 |
| Special Assessments Receivable | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$232,009</u> | <u>\$76,602</u> | <u>\$482,621</u> |
| Liabilities | | | |
| Accounts Payable | \$0 | \$4,140 | \$8,081 |
| Accrued Wages | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>4,140</u> | <u>8,081</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 31,238 | 0 | 0 |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 14,273 |
| Restricted | 200,771 | 72,462 | 460,267 |
| Unassigned (Deficit) | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>200,771</u> | <u>72,462</u> | <u>474,540</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$232,009</u> | <u>\$76,602</u> | <u>\$482,621</u> |

| HUD Rehabilitation Program | Indigent Interlock and Monitoring | Cemetery Donations | Bedford Municipal Court Legal Research | Refuse Fee | Total Nonmajor Special Revenue Funds |
|----------------------------------|---|-----------------------|---|------------------|--|
| \$0 | \$88,959 | \$35,034 | \$17,604 | \$115,858 | \$2,859,950 |
| 0 | 0 | 0 | 0 | 0 | 939 |
| 0 | 1,011 | 0 | 0 | 0 | 382,385 |
| 0 | 0 | 0 | 0 | 0 | 31,419 |
| 0 | 0 | 0 | 0 | 784,560 | 1,155,653 |
| <u>\$0</u> | <u>\$89,970</u> | <u>\$35,034</u> | <u>\$17,604</u> | <u>\$900,418</u> | <u>\$4,430,346</u> |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$61,553 |
| 0 | 0 | 0 | 0 | 0 | 4,827 |
| 0 | 0 | 0 | 0 | 0 | 1,642 |
| 261,372 | 0 | 0 | 0 | 0 | 261,372 |
| <u>261,372</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>329,394</u> |
| 0 | 0 | 0 | 0 | 784,560 | 1,361,962 |
| 0 | 0 | 0 | 0 | 0 | 31,419 |
| 0 | 89,970 | 35,034 | 17,604 | 115,858 | 2,968,943 |
| (261,372) | 0 | 0 | 0 | 0 | (261,372) |
| <u>(261,372)</u> | <u>89,970</u> | <u>35,034</u> | <u>17,604</u> | <u>115,858</u> | <u>2,738,990</u> |
| <u>\$0</u> | <u>\$89,970</u> | <u>\$35,034</u> | <u>\$17,604</u> | <u>\$900,418</u> | <u>\$4,430,346</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, 2017

| | Community Development Block Grant | State Highway | Indigent Drivers | SEALE Narcotics | Enforcement and Education |
|---|--|------------------|---------------------|--------------------|------------------------------|
| Revenues | | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 40,208 | 37,556 | 340,884 | 430 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 1,078 | 1,563 | 0 | 39 |
| Other | 0 | 0 | 0 | 222,487 | 0 |
| <i>Total Revenues</i> | <u>0</u> | <u>41,286</u> | <u>39,119</u> | <u>563,371</u> | <u>469</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 0 | 0 | 0 | 0 | 0 |
| Security of Persons and Property: | | | | | |
| Police | 0 | 0 | 0 | 391,383 | 0 |
| Fire | 0 | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 0 | 0 | 64,895 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 | 0 |
| Community Development | 55,064 | 0 | 0 | 0 | 0 |
| Basic Utility Services | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 36,440 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>55,064</u> | <u>36,440</u> | <u>64,895</u> | <u>391,383</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(55,064)</u> | <u>4,846</u> | <u>(25,776)</u> | <u>171,988</u> | <u>469</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | <u>(55,064)</u> | <u>4,846</u> | <u>(25,776)</u> | <u>171,988</u> | <u>469</u> |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>191,351</u> | <u>149,175</u> | <u>239,347</u> | <u>317,081</u> | <u>4,970</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$136,287</u> | <u>\$154,021</u> | <u>\$213,571</u> | <u>\$489,069</u> | <u>\$5,439</u> |

| Street Lighting | Street Construction, Maintenance and Repair | Law Enforcement Trust | Motor Vehicle License | Grants | Municipal Court Special Programs | HUD Rehabilitation Program |
|-----------------|---|-----------------------|-----------------------|----------|----------------------------------|----------------------------|
| \$0 | \$0 | \$0 | \$0 | \$1,485 | \$0 | \$0 |
| 0 | 0 | 137 | 0 | 0 | 145,392 | 0 |
| 0 | 496,871 | 0 | 89,245 | 69,545 | 0 | 0 |
| 343,795 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 12,855 | 0 | 0 |
| 988 | 5,652 | 305 | 1,218 | 0 | 3,350 | 0 |
| 0 | 939 | 0 | 0 | 0 | 0 | 0 |
| 344,783 | 503,462 | 442 | 90,463 | 83,885 | 148,742 | 0 |
| 0 | 0 | 0 | 0 | 5,698 | 78,096 | 0 |
| 0 | 0 | 13,833 | 0 | 81,668 | 0 | 0 |
| 0 | 0 | 0 | 0 | 14,998 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 20,553 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 335,089 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 624,209 | 0 | 73,306 | 4,673 | 0 | 0 |
| 335,089 | 624,209 | 13,833 | 73,306 | 127,590 | 78,096 | 0 |
| 9,694 | (120,747) | (13,391) | 17,157 | (43,705) | 70,646 | 0 |
| 0 | 22,012 | 0 | 0 | 0 | 0 | 0 |
| 0 | 250,000 | 0 | 0 | 15,000 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | (31,233) | 0 |
| 0 | 272,012 | 0 | 0 | 15,000 | (31,233) | 0 |
| 9,694 | 151,265 | (13,391) | 17,157 | (28,705) | 39,413 | 0 |
| 92,565 | 710,696 | 44,907 | 183,614 | 101,167 | 435,127 | (261,372) |
| \$102,259 | \$861,961 | \$31,516 | \$200,771 | \$72,462 | \$474,540 | (\$261,372) |

(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, 2017

| | Indigent Interlock and Monitoring | Cemetery Donations | Bedford Municipal Court Legal Research | Refuse Fee | Total Nonmajor Special Revenue Funds |
|---|---|-----------------------|---|------------------|--|
| Revenues | | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 | \$1,485 |
| Fines and Forfeitures | 9,894 | 0 | 26,110 | 0 | 181,533 |
| Intergovernmental | 0 | 0 | 0 | 0 | 1,074,739 |
| Special Assessments | 0 | 0 | 0 | 756,764 | 1,100,559 |
| Contributions and Donations | 0 | 0 | 0 | 0 | 12,855 |
| Interest | 658 | 258 | 55 | 1,477 | 16,641 |
| Other | 0 | 50 | 0 | 0 | 223,476 |
| <i>Total Revenues</i> | <u>10,552</u> | <u>308</u> | <u>26,165</u> | <u>758,241</u> | <u>2,611,288</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 7,229 | 0 | 12,508 | 0 | 103,531 |
| Security of Persons and Property: | | | | | |
| Police | 0 | 0 | 0 | 0 | 486,884 |
| Fire | 0 | 0 | 0 | 0 | 14,998 |
| Public Health and Welfare | 0 | 0 | 0 | 0 | 64,895 |
| Leisure Time Activities | 0 | 0 | 0 | 0 | 20,553 |
| Community Development | 0 | 0 | 0 | 0 | 55,064 |
| Basic Utility Services | 0 | 0 | 0 | 693,171 | 1,028,260 |
| Transportation | 0 | 0 | 0 | 0 | 738,628 |
| <i>Total Expenditures</i> | <u>7,229</u> | <u>0</u> | <u>12,508</u> | <u>693,171</u> | <u>2,512,813</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,323</u> | <u>308</u> | <u>13,657</u> | <u>65,070</u> | <u>98,475</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 22,012 |
| Transfers In | 0 | 0 | 0 | 0 | 265,000 |
| Transfers Out | 0 | 0 | 0 | 0 | (31,233) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>255,779</u> |
| <i>Net Change in Fund Balances</i> | 3,323 | 308 | 13,657 | 65,070 | 354,254 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>86,647</u> | <u>34,726</u> | <u>3,947</u> | <u>50,788</u> | <u>2,384,736</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$89,970</u> | <u>\$35,034</u> | <u>\$17,604</u> | <u>\$115,858</u> | <u>\$2,738,990</u> |

City of Bedford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

| | Municipal Court Computer | Capital Improvement | Total Nonmajor Capital Projects Funds |
|---|--------------------------------|------------------------|---|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$148,976 | \$984,343 | \$1,133,319 |
| Accounts Receivable | 0 | 33,868 | 33,868 |
| <i>Total Assets</i> | <u>\$148,976</u> | <u>\$1,018,211</u> | <u>\$1,167,187</u> |
| Liabilities | | | |
| Accounts Payable | \$10,350 | \$0 | \$10,350 |
| Unearned Revenue | 0 | 1,123,931 | 1,123,931 |
| <i>Total Liabilities</i> | <u>10,350</u> | <u>1,123,931</u> | <u>1,134,281</u> |
| Fund Balances | | | |
| Restricted | 138,626 | 0 | 138,626 |
| Unassigned (Deficit) | 0 | (105,720) | (105,720) |
| <i>Total Fund Balances (Deficit)</i> | <u>138,626</u> | <u>(105,720)</u> | <u>32,906</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$148,976</u> | <u>\$1,018,211</u> | <u>\$1,167,187</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, 2017

| | Municipal Court Computer | Capital Improvement | Total Nonmajor Capital Projects Funds |
|--|--------------------------------|------------------------|---|
| Revenues | | | |
| Fines and Forfeitures | \$119,673 | \$0 | \$119,673 |
| Intergovernmental | 58,644 | 0 | 58,644 |
| Interest | 565 | 7,316 | 7,881 |
| Other | 0 | 66,870 | 66,870 |
| <i>Total Revenues</i> | 178,882 | 74,186 | 253,068 |
| Expenditures | | | |
| Capital Outlay | 73,707 | 39,113 | 112,820 |
| <i>Net Change in Fund Balances</i> | 105,175 | 35,073 | 140,248 |
| <i>Fund Balances (Deficit)</i> | | | |
| <i>Beginning of Year</i> | 33,451 | (140,793) | (107,342) |
| <i>Fund Balances (Deficit) End of Year</i> | \$138,626 | (\$105,720) | \$32,906 |

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, villages and townships 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.

SEALE Unforfeited Fund - To account for confiscated monies received by the SEALE Drug Task Force and disbursed as directed by Cuyahoga County and the municipal court.

Law Enforcement Agency Fund - To account for confiscated liquid police assets from various drug related arrests until the Court determines, through court proceedings, who receives the funds.

City of Bedford, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

| | Beginning Balance 12/31/16 | Additions | Deductions | Ending Balance 12/31/17 |
|---|----------------------------------|--------------------|--------------------|-------------------------------|
| <i>Municipal Court</i> | | | | |
| Assets | | | | |
| Cash and Cash Equivalents In Segregated Accounts | \$219,372 | \$6,524,449 | \$6,451,990 | \$291,831 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$219,372 | \$6,524,449 | \$6,451,990 | \$291,831 |
| <i>State Inspection Fee</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$134 | \$980 | \$742 | \$372 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$134 | \$980 | \$742 | \$372 |
| <i>SEALE Unforfeited</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$342,269 | \$262,091 | \$126,147 | \$478,213 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$342,269 | \$262,091 | \$126,147 | \$478,213 |
| <i>Law Enforcement</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$15,903 | \$6,682 | \$0 | \$22,585 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$15,903 | \$6,682 | \$0 | \$22,585 |
| <i>All Agency Funds</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$358,306 | \$269,753 | \$126,889 | \$501,170 |
| Cash and Cash Equivalents In Segregated Accounts | 219,372 | 6,524,449 | 6,451,990 | 291,831 |
| Total Assets | \$577,678 | \$6,794,202 | \$6,578,879 | \$793,001 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$577,678 | \$6,794,202 | \$6,578,879 | \$793,001 |

**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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$1,869,235 | \$1,869,235 | \$1,827,686 | (\$41,549) |
| Municipal Income Taxes | 8,345,344 | 8,395,344 | 7,830,308 | (565,036) |
| Charges for Services | 787,850 | 787,850 | 782,740 | (5,110) |
| Fees, Licenses and Permits | 255,185 | 255,185 | 213,397 | (41,788) |
| Fines and Forfeitures | 2,338,290 | 2,338,290 | 2,353,886 | 15,596 |
| Intergovernmental | 715,976 | 715,976 | 647,776 | (68,200) |
| Special Assessments | 34,875 | 34,875 | 20,472 | (14,403) |
| Interest | 32,150 | 32,150 | 46,377 | 14,227 |
| Rentals | 43,000 | 57,500 | 55,346 | (2,154) |
| Other | 49,350 | 59,350 | 73,224 | 13,874 |
| <i>Total Revenues</i> | <u>14,471,255</u> | <u>14,545,755</u> | <u>13,851,212</u> | <u>(694,543)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Council and Clerk: | | | | |
| Personal Services | 280,955 | 280,955 | 279,359 | 1,596 |
| Other | 55,789 | 55,789 | 25,756 | 30,033 |
| Total Council and Clerk | <u>336,744</u> | <u>336,744</u> | <u>305,115</u> | <u>31,629</u> |
| Finance Department: | | | | |
| Personal Services | 132,770 | 139,770 | 117,084 | 22,686 |
| Other | 381,662 | 381,662 | 359,631 | 22,031 |
| Total Finance Department | <u>514,432</u> | <u>521,432</u> | <u>476,715</u> | <u>44,717</u> |
| Income Tax Department: | | | | |
| Personal Services | 238,513 | 243,513 | 238,205 | 5,308 |
| Other | 490,665 | 500,665 | 479,232 | 21,433 |
| Total Income Tax Department | <u>729,178</u> | <u>744,178</u> | <u>717,437</u> | <u>26,741</u> |
| City Manager: | | | | |
| Personal Services | 333,014 | 333,014 | 313,244 | 19,770 |
| Other | 12,915 | 12,915 | 6,669 | 6,246 |
| Total City Manager | <u>\$345,929</u> | <u>\$345,929</u> | <u>\$319,913</u> | <u>\$26,016</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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Law Department: | | | | |
| Personal Services | \$114,525 | \$145,700 | \$144,801 | \$899 |
| Other | 75,300 | 90,300 | 70,050 | 20,250 |
| Total Law Department | 189,825 | 236,000 | 214,851 | 21,149 |
| Engineering: | | | | |
| Personal Services | 14,700 | 14,700 | 14,694 | 6 |
| Other | 37,000 | 37,000 | 32,086 | 4,914 |
| Total Engineering | 51,700 | 51,700 | 46,780 | 4,920 |
| Municipal Court: | | | | |
| Personal Services | 2,073,866 | 2,103,866 | 2,009,000 | 94,866 |
| Other | 284,726 | 336,226 | 303,639 | 32,587 |
| Total Municipal Court | 2,358,592 | 2,440,092 | 2,312,639 | 127,453 |
| Special Projects: | | | | |
| Other | 102,678 | 72,678 | 53,712 | 18,966 |
| Civil Service Commission: | | | | |
| Personal Services | 3,080 | 3,080 | 1,541 | 1,539 |
| Other | 19,450 | 19,450 | 7,361 | 12,089 |
| Total Civil Service Commission | 22,530 | 22,530 | 8,902 | 13,628 |
| Municipal Complex: | | | | |
| Personal Services | 167,558 | 167,558 | 154,337 | 13,221 |
| Capital Outlay | 26,284 | 26,284 | 21,283 | 5,001 |
| Other | 602,076 | 602,076 | 522,188 | 79,888 |
| Total Municipal Complex | 795,918 | 795,918 | 697,808 | 98,110 |
| County Auditor Deductions: | | | | |
| Other | 115,000 | 85,000 | 83,611 | 1,389 |
| Total General Government | \$5,562,526 | \$5,652,201 | \$5,237,483 | \$414,718 |

(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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Police Department: | | | | |
| Personal Services | \$1,330,827 | \$1,340,827 | \$1,281,334 | \$59,493 |
| Capital Outlay | 10,000 | 10,000 | 2,555 | 7,445 |
| Other | 963,201 | 1,039,086 | 967,612 | 71,474 |
| Total Police | 2,304,028 | 2,389,913 | 2,251,501 | 138,412 |
| Fire: | | | | |
| Fire Department: | | | | |
| Personal Services | 45,000 | 45,000 | 45,000 | 0 |
| Capital Outlay | 85,480 | 105,480 | 87,907 | 17,573 |
| Other | 5,525 | 5,525 | 2,420 | 3,105 |
| Total Fire | 136,005 | 156,005 | 135,327 | 20,678 |
| Total Security of Persons and Property | 2,440,033 | 2,545,918 | 2,386,828 | 159,090 |
| Public Health and Welfare: | | | | |
| Health Department: | | | | |
| Other | 53,865 | 53,865 | 51,250 | 2,615 |
| Cemetery: | | | | |
| Personal Services | 103,960 | 103,960 | 95,191 | 8,769 |
| Other | 19,825 | 19,825 | 11,566 | 8,259 |
| Total Cemetery | 123,785 | 123,785 | 106,757 | 17,028 |
| Total Public Health and Welfare | 177,650 | 177,650 | 158,007 | 19,643 |
| Leisure Time Activities: | | | | |
| Parks and Playground: | | | | |
| Personal Services | 11,713 | 11,713 | 7,730 | 3,983 |
| Other | 120,425 | 137,435 | 135,179 | 2,256 |
| Total Parks and Playground | \$132,138 | \$149,148 | \$142,909 | \$6,239 |

(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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Playgrounds: | | | | |
| Personal Services | \$282,940 | \$282,940 | \$246,772 | \$36,168 |
| Other | 147,850 | 176,992 | 152,394 | 24,598 |
| Total Playgrounds | 430,790 | 459,932 | 399,166 | 60,766 |
| Swimming Pool: | | | | |
| Personal Services | 147,785 | 142,285 | 118,002 | \$24,283 |
| Other | 52,085 | 57,585 | 49,594 | 7,991 |
| Total Swimming Pool | 199,870 | 199,870 | 167,596 | 32,274 |
| Ellenwood Center: | | | | |
| Personal Services | 451,870 | 438,870 | 409,306 | 29,564 |
| Capital Outlay | 7,500 | 35,500 | 31,193 | 4,307 |
| Other | 127,050 | 119,050 | 90,404 | 28,646 |
| Total Ellenwood Center | 586,420 | 593,420 | 530,903 | 62,517 |
| Total Leisure Time Activities | 1,349,218 | 1,402,370 | 1,240,574 | 161,796 |
| Community Development: | | | | |
| Planning Commission Department: | | | | |
| Personal Services | 1,761 | 1,761 | 1,242 | 519 |
| Other | 1,740 | 1,740 | 1,707 | 33 |
| Total Planning Commission Department | 3,501 | 3,501 | 2,949 | 552 |
| Economic Development: | | | | |
| Personal Services | 19,635 | 19,635 | 5,248 | 14,387 |
| Other | 109,489 | 109,489 | 108,910 | 579 |
| Total Economic Development | 129,124 | 129,124 | 114,158 | 14,966 |
| Building Department: | | | | |
| Personal Services | 432,741 | 437,741 | 430,457 | 7,284 |
| Other | 22,005 | 22,005 | 14,871 | 7,134 |
| Total Building Department | 454,746 | 459,746 | 445,328 | 14,418 |
| Total Community Development | \$587,371 | \$592,371 | \$562,435 | \$29,936 |

(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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------------|---------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Transportation: | | | | |
| Service Department: | | | | |
| Personal Services | \$1,625,382 | \$1,625,382 | \$1,611,177 | \$14,205 |
| Other | 25,800 | 25,800 | 13,302 | 12,498 |
| Total Transportation | <u>1,651,182</u> | <u>1,651,182</u> | <u>1,624,479</u> | <u>26,703</u> |
| <i>Total Expenditures</i> | <u>11,767,980</u> | <u>12,021,692</u> | <u>11,209,806</u> | <u>811,886</u> |
| <i>Excess of Revenues</i> | | | | |
| <i>Over (Under) Expenditures</i> | <u>2,703,275</u> | <u>2,524,063</u> | <u>2,641,406</u> | <u>117,343</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 116,000 | 116,000 | 107,057 | (8,943) |
| Transfers Out | <u>(4,357,505)</u> | <u>(4,633,505)</u> | <u>(4,633,505)</u> | <u>0</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>(4,241,505)</u> | <u>(4,517,505)</u> | <u>(4,526,448)</u> | <u>(8,943)</u> |
| <i>Net Change in Fund Balance</i> | (1,538,230) | (1,993,442) | (1,885,042) | 108,400 |
| <i>Fund Balance Beginning of Year</i> | 6,929,029 | 6,929,029 | 6,929,029 | 0 |
| Prior Year Encumbrances Appropriated | <u>138,387</u> | <u>138,387</u> | <u>138,387</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$5,529,186</u></u> | <u><u>\$5,073,974</u></u> | <u><u>\$5,182,374</u></u> | <u><u>\$108,400</u></u> |

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, 2017

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Property Taxes | \$2,438,952 | \$2,438,952 | \$2,388,876 | (\$50,076) |
| Fees, Licenses and Permits | 25 | 25 | 18 | (7) |
| Intergovernmental | 548,781 | 548,781 | 534,000 | (14,781) |
| Interest | 2,250 | 2,250 | 4,418 | 2,168 |
| Other | 50 | 50 | 0 | (50) |
| <i>Total Revenues</i> | <u>2,990,058</u> | <u>2,990,058</u> | <u>2,927,312</u> | <u>(62,746)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Police Pension: | | | | |
| Personal Services | 497,670 | 497,670 | 468,409 | 29,261 |
| Safety Forces: | | | | |
| Personal Services | <u>2,706,140</u> | <u>2,706,140</u> | <u>2,572,126</u> | <u>134,014</u> |
| Total Police | <u>3,203,810</u> | <u>3,203,810</u> | <u>3,040,535</u> | <u>163,275</u> |
| Fire: | | | | |
| Fire Medic Levy: | | | | |
| Personal Services | 3,049,131 | 3,129,131 | 3,054,061 | 75,070 |
| Other | <u>127,030</u> | <u>187,030</u> | <u>146,839</u> | <u>40,191</u> |
| Total Fire Medic Levy | 3,176,161 | 3,316,161 | 3,200,900 | 115,261 |
| Fire Pension: | | | | |
| Personal Services | <u>544,995</u> | <u>544,995</u> | <u>543,485</u> | <u>1,510</u> |
| Total Fire | <u>3,721,156</u> | <u>3,861,156</u> | <u>3,744,385</u> | <u>116,771</u> |
| <i>Total Expenditures</i> | <u>6,924,966</u> | <u>7,064,966</u> | <u>6,784,920</u> | <u>280,046</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (3,934,908) | (4,074,908) | (3,857,608) | 217,300 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | <u>3,777,595</u> | <u>3,893,595</u> | <u>3,893,595</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (157,313) | (181,313) | 35,987 | 217,300 |
| <i>Fund Balance Beginning of Year</i> | 537,745 | 537,745 | 537,745 | 0 |
| Prior Year Encumbrances Appropriated | <u>3,312</u> | <u>3,312</u> | <u>3,312</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$383,744</u> | <u>\$359,744</u> | <u>\$577,044</u> | <u>\$217,300</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--------------------------------------|-------------------------|--------------------|--------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Charges for Services | \$4,188,920 | \$4,188,920 | \$4,364,065 | \$175,145 |
| Other | 30,000 | 30,000 | 29,269 | (731) |
| Interest | 30,000 | 30,000 | 56,104 | 26,104 |
| <i>Total Revenues</i> | <u>4,248,920</u> | <u>4,248,920</u> | <u>4,449,438</u> | <u>200,518</u> |
| Expenses | | | | |
| Personal Services | 554,720 | 554,720 | 478,434 | 76,286 |
| Contractual Services | 2,740,500 | 2,740,500 | 2,194,760 | 545,740 |
| Materials and Supplies | 313,500 | 313,500 | 286,131 | 27,369 |
| Capital Outlay | 531,992 | 531,992 | 377,962 | 154,030 |
| Other | 3,000 | 3,000 | 1,486 | 1,514 |
| Debt Service: | | | | |
| Principal Retirement | 499,463 | 499,463 | 499,462 | 1 |
| Interest and Fiscal Charges | 120,924 | 120,924 | 120,924 | 0 |
| <i>Total Expenses</i> | <u>4,764,099</u> | <u>4,764,099</u> | <u>3,959,159</u> | <u>804,940</u> |
| <i>Net Change in Fund Equity</i> | (515,179) | (515,179) | 490,279 | 1,005,458 |
| <i>Fund Equity Beginning of Year</i> | 6,595,491 | 6,595,491 | 6,595,491 | 0 |
| Prior Year Encumbrances Appropriated | 342,346 | 342,346 | 342,346 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$6,422,658</u> | <u>\$6,422,658</u> | <u>\$7,428,116</u> | <u>\$1,005,458</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--------------------------------------|-------------------------|--------------------|--------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Charges for Services | \$2,526,630 | \$2,526,630 | \$2,631,691 | \$105,061 |
| Other | 1,000 | 1,000 | 27,033 | 26,033 |
| Interest | 16,000 | 16,000 | 18,485 | 2,485 |
| <i>Total Revenues</i> | <u>2,543,630</u> | <u>2,543,630</u> | <u>2,677,209</u> | <u>133,579</u> |
| Expenses | | | | |
| Personal Services | 1,102,956 | 1,102,956 | 1,007,362 | 95,594 |
| Contractual Services | 90,877 | 99,377 | 63,172 | 36,205 |
| Materials and Supplies | 505,543 | 549,065 | 530,261 | 18,804 |
| Capital Outlay | 815,255 | 783,233 | 685,057 | 98,176 |
| Other | 3,000 | 3,000 | 1,702 | 1,298 |
| Debt Service: | | | | |
| Principal Retirement | 422,372 | 422,372 | 422,372 | 0 |
| Interest and Fiscal Charges | 155,333 | 155,333 | 155,331 | 2 |
| <i>Total Expenses</i> | <u>3,095,336</u> | <u>3,115,336</u> | <u>2,865,257</u> | <u>250,079</u> |
| <i>Net Change in Fund Equity</i> | (551,706) | (571,706) | (188,048) | 383,658 |
| <i>Fund Equity Beginning of Year</i> | 1,542,855 | 1,542,855 | 1,542,855 | 0 |
| Prior Year Encumbrances Appropriated | 739,886 | 739,886 | 739,886 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$1,731,035</u> | <u>\$1,711,035</u> | <u>\$2,094,693</u> | <u>\$383,658</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|---------------------------------------|-------------------------|-------------------|-------------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current: | | | | |
| Community Development: | | | | |
| CDBG Department: | | | | |
| Capital Outlay | 153,364 | 153,364 | 39,077 | 114,287 |
| Other | <u>37,987</u> | <u>37,987</u> | <u>35,687</u> | <u>2,300</u> |
| <i>Total Expenditures</i> | <u>191,351</u> | <u>191,351</u> | <u>74,764</u> | <u>116,587</u> |
| <i>Net Change in Fund Balance</i> | (191,351) | (191,351) | (74,764) | 116,587 |
| <i>Fund Balance Beginning of Year</i> | 168,199 | 168,199 | 168,199 | 0 |
| Prior Year Encumbrances Appropriated | <u>23,152</u> | <u>23,152</u> | <u>23,152</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$116,587</u></u> | <u><u>\$116,587</u></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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$39,000 | \$39,000 | \$40,133 | \$1,133 |
| Interest | 595 | 595 | 1,078 | 483 |
| <i>Total Revenues</i> | 39,595 | 39,595 | 41,211 | 1,616 |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Other | 88,000 | 89,400 | 89,379 | 21 |
| <i>Net Change in Fund Balance</i> | (48,405) | (49,805) | (48,168) | 1,637 |
| <i>Fund Balance Beginning of Year</i> | 142,424 | 142,424 | 142,424 | 0 |
| Prior Year Encumbrances Appropriated | 47,000 | 47,000 | 47,000 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$141,019</u> | <u>\$139,619</u> | <u>\$141,256</u> | <u>\$1,637</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|---------------------------------------|-------------------------|------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Intergovernmental | \$30,000 | \$30,000 | \$48,494 | \$18,494 |
| Interest | 1,000 | 1,000 | 1,563 | 563 |
| <i>Total Revenues</i> | 31,000 | 31,000 | 50,057 | 19,057 |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Indigent Drivers: | | | | |
| Other | 105,000 | 105,000 | 65,683 | 39,317 |
| <i>Net Change in Fund Balance</i> | (74,000) | (74,000) | (15,626) | 58,374 |
| <i>Fund Balance Beginning of Year</i> | 223,673 | 223,673 | 223,673 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$149,673</u> | <u>\$149,673</u> | <u>\$208,047</u> | <u>\$58,374</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SEALE Narcotics Fund
For the Year Ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$331,543 | \$331,543 | \$321,011 | (\$10,532) |
| Other | 219,874 | 219,874 | 222,487 | 2,613 |
| <i>Total Revenues</i> | <u>551,417</u> | <u>551,417</u> | <u>543,498</u> | <u>(7,919)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| SEALE Narcotics: | | | | |
| Personal Services | 381,640 | 381,640 | 274,894 | 106,746 |
| Capital Outlay | 338,507 | 338,507 | 79,483 | 259,024 |
| Other | 90,979 | 90,979 | 41,780 | 49,199 |
| <i>Total Expenditures</i> | <u>811,126</u> | <u>811,126</u> | <u>396,157</u> | <u>414,969</u> |
| <i>Net Change in Fund Balance</i> | (259,709) | (259,709) | 147,341 | 407,050 |
| <i>Fund Balance Beginning of Year</i> | <u>259,709</u> | <u>259,709</u> | <u>259,709</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$407,050</u></u> | <u><u>\$407,050</u></u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$300 | \$300 | \$430 | \$130 |
| Interest | <u>0</u> | <u>0</u> | <u>39</u> | <u>39</u> |
| <i>Total Revenues</i> | 300 | 300 | 469 | 169 |
| Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 300 | 300 | 469 | 169 |
| <i>Fund Balance Beginning of Year</i> | <u>4,970</u> | <u>4,970</u> | <u>4,970</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$5,270</u></u> | <u><u>\$5,270</u></u> | <u><u>\$5,439</u></u> | <u><u>\$169</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Special Assessments | \$342,300 | \$342,300 | \$343,795 | \$1,495 |
| Interest | 700 | 700 | 988 | 288 |
| <i>Total Revenues</i> | 343,000 | 343,000 | 344,783 | 1,783 |
| Expenditures | | | | |
| Current: | | | | |
| Basic Utility Services: | | | | |
| Street Lighting: | | | | |
| Other | 370,000 | 370,000 | 313,055 | 56,945 |
| <i>Net Change in Fund Balance</i> | (27,000) | (27,000) | 31,728 | 58,728 |
| <i>Fund Balance Beginning of Year</i> | 92,565 | 92,565 | 92,565 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$65,565</u> | <u>\$65,565</u> | <u>\$124,293</u> | <u>\$58,728</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$494,000 | \$494,000 | \$495,913 | \$1,913 |
| Interest | 2,500 | 2,500 | 5,652 | 3,152 |
| <i>Total Revenues</i> | <u>496,500</u> | <u>496,500</u> | <u>501,565</u> | <u>5,065</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Personal Services | 219,792 | 238,792 | 202,563 | 36,229 |
| Capital Outlay | 242,531 | 242,531 | 242,531 | 0 |
| Other | 432,594 | 432,594 | 312,988 | 119,606 |
| <i>Total Expenditures</i> | <u>894,917</u> | <u>913,917</u> | <u>758,082</u> | <u>155,835</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(398,417)</u> | <u>(417,417)</u> | <u>(256,517)</u> | <u>160,900</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 3,500 | 3,500 | 22,012 | 18,512 |
| Transfers In | 250,000 | 250,000 | 250,000 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>253,500</u> | <u>253,500</u> | <u>272,012</u> | <u>18,512</u> |
| <i>Net Change in Fund Balance</i> | (144,917) | (163,917) | 15,495 | 179,412 |
| <i>Fund Balance Beginning of Year</i> | 574,759 | 574,759 | 574,759 | 0 |
| Prior Year Encumbrances Appropriated | 80,672 | 80,672 | 80,672 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$510,514</u> | <u>\$491,514</u> | <u>\$670,926</u> | <u>\$179,412</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, 2017

| | <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 | \$387 | \$387 | \$137 | (\$250) |
| Interest | 0 | 0 | 305 | 305 |
| <i>Total Revenues</i> | <u>387</u> | <u>387</u> | <u>442</u> | <u>55</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Law Enforcement: | | | | |
| Capital Outlay | 44,579 | 44,579 | 13,120 | 31,459 |
| Other | 715 | 715 | 713 | 2 |
| <i>Total Expenditures</i> | <u>45,294</u> | <u>45,294</u> | <u>13,833</u> | <u>31,461</u> |
| <i>Net Change in Fund Balance</i> | (44,907) | (44,907) | (13,391) | 31,516 |
| <i>Fund Balance Beginning of Year</i> | <u>44,907</u> | <u>44,907</u> | <u>44,907</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$31,516</u> | <u>\$31,516</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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$88,000 | \$88,000 | \$89,046 | \$1,046 |
| Interest | 650 | 650 | 1,218 | 568 |
| <i>Total Revenues</i> | 88,650 | 88,650 | 90,264 | 1,614 |
| Expenditures | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Street Construction, Maintenance and Repair: | | | | |
| Other | 180,000 | 180,000 | 180,000 | 0 |
| <i>Net Change in Fund Balance</i> | (91,350) | (91,350) | (89,736) | 1,614 |
| <i>Fund Balance Beginning of Year</i> | 95,981 | 95,981 | 95,981 | 0 |
| Prior Year Encumbrances Appropriated | 90,000 | 90,000 | 90,000 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$94,631</u> | <u>\$94,631</u> | <u>\$96,245</u> | <u>\$1,614</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, 2017

| | <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 | \$285 | \$285 | \$1,485 | \$1,200 |
| Intergovernmental | 98,565 | 98,565 | 80,546 | (18,019) |
| Contributions and Donations | 12,855 | 12,855 | 12,855 | 0 |
| <i>Total Revenues</i> | <u>111,705</u> | <u>111,705</u> | <u>94,886</u> | <u>(16,819)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| NOPEC Energy Grant | | | | |
| Capital Outlay | 9,956 | 9,956 | 1,558 | 8,398 |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| High Visibility Enforcement: | | | | |
| Personal Services | 28,960 | 28,960 | 21,809 | 7,151 |
| Capital Outlay | 11,802 | 11,802 | 11,802 | 0 |
| Other | 11,710 | 11,710 | 7,663 | 4,047 |
| Total High Visibility Enforcement | <u>52,472</u> | <u>52,472</u> | <u>41,274</u> | <u>11,198</u> |
| Community Diversion: | | | | |
| Personal Services | 4,800 | 4,800 | 4,800 | 0 |
| Other | 1,288 | 1,288 | 295 | 993 |
| Total Community Diversion | <u>6,088</u> | <u>6,088</u> | <u>5,095</u> | <u>993</u> |
| Violence Against Women: | | | | |
| Personal Services | 33,647 | 33,647 | 33,647 | 0 |
| Other | 1,860 | 1,860 | 1,773 | 87 |
| Total Violence Against Women | <u>\$35,507</u> | <u>\$35,507</u> | <u>\$35,420</u> | <u>\$87</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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| DARE Enforcement: | | | | |
| Personal Services | \$9,245 | \$9,245 | \$0 | \$9,245 |
| Total Police | 103,312 | 103,312 | 81,789 | 21,523 |
| Fire: | | | | |
| Fire Department: | | | | |
| Personal Services | 9,854 | 9,854 | 9,854 | 0 |
| Other | 20,929 | 20,929 | 12,439 | 8,490 |
| Total Fire | 30,783 | 30,783 | 22,293 | 8,490 |
| Total Security of Persons and Property | 134,095 | 134,095 | 104,082 | 30,013 |
| Leisure Time Activities: | | | | |
| Soccer Donations | | | | |
| Other | 10,629 | 10,629 | 9,424 | 1,205 |
| Food Bank - Recreation: | | | | |
| Other | 16,000 | 16,000 | 11,129 | 4,871 |
| Total Leisure Time Activities | 26,629 | 26,629 | 20,553 | 6,076 |
| Transportation: | | | | |
| Service Department Recycling Grant | | | | |
| Other | 4,906 | 4,906 | 4,673 | 233 |
| <i>Total Expenditures</i> | 175,586 | 175,586 | 130,866 | 44,720 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (63,881) | (63,881) | (35,980) | 27,901 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 15,000 | 15,000 | 15,000 | 0 |
| <i>Net Change in Fund Balance</i> | (48,881) | (48,881) | (20,980) | 27,901 |
| <i>Fund Balance Beginning of Year</i> | 83,499 | 83,499 | 83,499 | 0 |
| <i>Fund Balance End of Year</i> | \$34,618 | \$34,618 | \$62,519 | \$27,901 |

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, 2017

| | <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 | \$135,000 | \$135,000 | \$144,800 | \$9,800 |
| Interest | 2,000 | 2,000 | 3,350 | 1,350 |
| <i>Total Revenues</i> | <u>137,000</u> | <u>137,000</u> | <u>148,150</u> | <u>11,150</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Municipal Court Special Programs: | | | | |
| Capital Outlay | 35,434 | 31,434 | 30,960 | 474 |
| Other | 41,800 | 45,800 | 45,476 | 324 |
| <i>Total Expenditures</i> | <u>77,234</u> | <u>77,234</u> | <u>76,436</u> | <u>798</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 59,766 | 59,766 | 71,714 | 11,948 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (31,233) | (31,233) | (31,233) | 0 |
| <i>Net Change in Fund Balance</i> | 28,533 | 28,533 | 40,481 | 11,948 |
| <i>Fund Balance Beginning of Year</i> | 403,255 | 403,255 | 403,255 | 0 |
| Prior Year Encumbrances Appropriated | 7,234 | 7,234 | 7,234 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$439,022</u> | <u>\$439,022</u> | <u>\$450,970</u> | <u>\$11,948</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, 2017

| | <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 | \$19,000 | \$19,000 | \$8,702 | (\$10,298) |
| Interest | 400 | 400 | 658 | 258 |
| <i>Total Revenues</i> | 19,400 | 19,400 | 9,360 | (10,040) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Indigent Interlock and Monitoring: | | | | |
| Other | 30,000 | 30,000 | 7,229 | 22,771 |
| <i>Net Change in Fund Balance</i> | (10,600) | (10,600) | 2,131 | 12,731 |
| <i>Fund Balance Beginning of Year</i> | 86,540 | 86,540 | 86,540 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$75,940</u> | <u>\$75,940</u> | <u>\$88,671</u> | <u>\$12,731</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, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$75 | \$75 | \$258 | \$183 |
| Other | 50 | 50 | 50 | 0 |
| <i>Total Revenues</i> | 125 | 125 | 308 | 183 |
| Expenditures | | | | |
| Current: | | | | |
| Public Health and Welfare: | | | | |
| Cemetery: | | | | |
| Other | 15,000 | 15,000 | 0 | 15,000 |
| <i>Net Change in Fund Balance</i> | (14,875) | (14,875) | 308 | 15,183 |
| <i>Fund Balance Beginning of Year</i> | 34,726 | 34,726 | 34,726 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$19,851</u> | <u>\$19,851</u> | <u>\$35,034</u> | <u>\$15,183</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bedford Municipal Court Legal Research Fund
For the Year Ended December 31, 2017

| | <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 | \$26,000 | \$26,000 | \$25,099 | (\$901) |
| Interest | 15 | 15 | 55 | 40 |
| <i>Total Revenues</i> | 26,015 | 26,015 | 25,154 | (861) |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Municipal Court Special Programs: | | | | |
| Personal Services | 25,590 | 25,590 | 12,508 | 13,082 |
| <i>Net Change in Fund Balance</i> | 425 | 425 | 12,646 | 12,221 |
| <i>Fund Balance Beginning of Year</i> | 2,683 | 2,683 | 2,683 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$3,108</u> | <u>\$3,108</u> | <u>\$15,329</u> | <u>\$12,221</u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Refuse Fee Fund
For the Year Ended December 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|---------------------------------------|-------------------------|------------------------|-------------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Special Assessments | \$724,500 | \$724,500 | \$756,764 | \$32,264 |
| Interest | <u>0</u> | <u>0</u> | <u>1,477</u> | <u>1,477</u> |
| <i>Total Revenues</i> | 724,500 | 724,500 | 758,241 | 33,741 |
| Expenditures | | | | |
| Current: | | | | |
| Basic Utility Services | | | | |
| Refuse Fee: | | | | |
| Other | <u>690,000</u> | <u>700,000</u> | <u>693,171</u> | <u>6,829</u> |
| <i>Net Change in Fund Balance</i> | 34,500 | 24,500 | 65,070 | 40,570 |
| <i>Fund Balance Beginning of Year</i> | <u>50,788</u> | <u>50,788</u> | <u>50,788</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$85,288</u></u> | <u><u>\$75,288</u></u> | <u><u>\$115,858</u></u> | <u><u>\$40,570</u></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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|---|-------------------------|-------------------------|-------------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Municipal Income Taxes | \$892,845 | \$892,845 | \$870,034 | (\$22,811) |
| Interest | 2,750 | 2,750 | 8,270 | 5,520 |
| <i>Total Revenues</i> | <u>895,595</u> | <u>895,595</u> | <u>878,304</u> | <u>(17,291)</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 964,024 | 964,024 | 964,024 | 0 |
| Interest and Fiscal Charges | 231,759 | 231,759 | 231,759 | 0 |
| <i>Total Expenditures</i> | <u>1,195,783</u> | <u>1,195,783</u> | <u>1,195,783</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (300,188) | (300,188) | (317,479) | (17,291) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 356,143 | 356,143 | 356,143 | 0 |
| <i>Net Change in Fund Balance</i> | 55,955 | 55,955 | 38,664 | (17,291) |
| <i>Fund Balance Beginning of Year</i> | <u>172,668</u> | <u>172,668</u> | <u>172,668</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$228,623</u></u> | <u><u>\$228,623</u></u> | <u><u>\$211,332</u></u> | <u><u>(\$17,291)</u></u> |

City of Bedford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines and Forfeitures | \$72,100 | \$72,100 | \$113,652 | \$41,552 |
| Intergovernmental | 58,644 | 58,644 | 58,644 | 0 |
| Interest | 200 | 200 | 565 | 365 |
| <i>Total Revenues</i> | 130,944 | 130,944 | 172,861 | 41,917 |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Municipal Court Computer: | | | | |
| Capital Outlay | 3,000 | 3,000 | 0 | 3,000 |
| Other | 128,144 | 138,144 | 71,304 | 66,840 |
| <i>Total Expenditures</i> | 131,144 | 141,144 | 71,304 | 69,840 |
| <i>Net Change in Fund Balance</i> | (200) | (10,200) | 101,557 | 111,757 |
| <i>Fund Balance Beginning of Year</i> | 23,570 | 23,570 | 23,570 | 0 |
| <i>Fund Balance End of Year</i> | \$23,370 | \$13,370 | \$125,127 | \$111,757 |

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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$0 | \$5,000 | \$7,316 | \$2,316 |
| Expenditures | | | | |
| Capital Outlay | <u>74,660</u> | <u>74,660</u> | <u>39,113</u> | <u>35,547</u> |
| <i>Net Change in Fund Balance</i> | (74,660) | (69,660) | (31,797) | 37,863 |
| <i>Fund Balance Beginning of Year</i> | 983,689 | 983,689 | 983,689 | 0 |
| Prior Year Encumbrances Appropriated | <u>32,451</u> | <u>32,451</u> | <u>32,451</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$941,480</u></u> | <u><u>\$946,480</u></u> | <u><u>\$984,343</u></u> | <u><u>\$37,863</u></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, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--|-------------------------|------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Charges for Services | \$2,375,130 | \$2,375,130 | \$2,389,161 | \$14,031 |
| Interest | 1,500 | 1,500 | 461 | (1,039) |
| Other | 5,000 | 5,000 | 4,983 | (17) |
| <i>Total Revenues</i> | <u>2,381,630</u> | <u>2,381,630</u> | <u>2,394,605</u> | <u>12,975</u> |
| Expenses | | | | |
| Contractual Services | 378,795 | 378,795 | 302,336 | 76,459 |
| Claims | 1,981,350 | 2,081,350 | 2,024,968 | 56,382 |
| <i>Total Expenses</i> | <u>2,360,145</u> | <u>2,460,145</u> | <u>2,327,304</u> | <u>132,841</u> |
| <i>Excess of Revenues Over (Under)</i> <i>Expenses Before Transfers</i> | 21,485 | (78,515) | 67,301 | 145,816 |
| Transfers In | 0 | 150,000 | 150,000 | 0 |
| <i>Net Change in Fund Equity</i> | 21,485 | 71,485 | 217,301 | 145,816 |
| <i>Fund Equity Beginning of Year</i> | 3,164 | 3,164 | 3,164 | 0 |
| Prior Year Encumbrances Appropriated | 7,005 | 7,005 | 7,005 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$31,654</u> | <u>\$81,654</u> | <u>\$227,470</u> | <u>\$145,816</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)

| | 2017 | 2016 | 2015 | 2014 |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | |
| Net Investment in | | | | |
| Capital Assets | \$16,136,358 | \$16,509,741 | \$16,991,691 | \$17,339,750 |
| Restricted: | | | | |
| Capital Projects | 138,626 | 33,451 | 59,047 | 92,838 |
| Debt Service | 227,991 | 202,409 | 370,245 | 469,155 |
| Municipal Courts | 492,144 | 439,074 | 374,116 | 311,668 |
| Fire | 0 | 0 | 0 | 0 |
| Streets | 1,411,194 | 1,223,817 | 1,395,266 | 1,186,093 |
| Community Development | 136,287 | 191,351 | 421,106 | 571,801 |
| Street Lighting | 473,352 | 434,842 | 430,658 | 505,179 |
| Drug Force Violations | 489,069 | 317,081 | 171,906 | 140,459 |
| Refuse Collections | 900,418 | 834,340 | 783,552 | 0 |
| Other Purposes | 447,992 | 511,764 | 515,596 | 507,906 |
| Unrestricted (Deficit) | (11,854,714) | (8,611,530) | (6,860,164) | (3,460,721) |
| <i>Total Governmental Activities</i> | | | | |
| <i>Net Position</i> | 8,998,717 | 12,086,340 | 14,653,019 | 17,664,128 |
| Business Type - Activities | | | | |
| Net Investment in | | | | |
| Capital Assets | 9,685,268 | 8,586,175 | 7,428,993 | 6,470,775 |
| Unrestricted | 9,928,725 | 9,520,212 | 9,451,246 | 8,721,191 |
| <i>Total Business-Type Activities</i> | | | | |
| <i>Net Position</i> | 19,613,993 | 18,106,387 | 16,880,239 | 15,191,966 |
| Primary Government | | | | |
| Net Investment in | | | | |
| Capital Assets | 25,821,626 | 25,095,916 | 24,420,684 | 23,810,525 |
| Restricted | 4,717,073 | 4,188,129 | 4,521,492 | 3,785,099 |
| Unrestricted (Deficit) | (1,925,989) | 908,682 | 2,591,082 | 5,260,470 |
| <i>Total Primary Government</i> | | | | |
| <i>Net Position</i> | \$28,612,710 | \$30,192,727 | \$31,533,258 | \$32,856,094 |

Note - The effects of the implementation of GASB 68 are reflected in the 2015 and 2014 amounts.

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$18,337,265 | \$19,668,123 | \$20,968,797 | \$22,729,591 | \$24,376,061 | \$25,879,539 |
| 119,889 | 147,188 | 241,731 | 0 | 410,909 | 952,794 |
| 449,033 | 509,480 | 513,704 | 533,106 | 624,790 | 933,485 |
| 254,776 | 830,873 | 774,291 | 746,043 | 714,104 | 698,237 |
| 0 | 0 | 0 | 0 | 0 | 161,449 |
| 1,215,660 | 1,115,228 | 1,227,043 | 1,125,705 | 1,098,471 | 1,441,636 |
| 715,120 | 737,303 | 627,065 | 535,619 | 201,776 | 366,176 |
| 504,173 | 550,136 | 555,255 | 585,951 | 647,086 | 621,919 |
| 162,132 | 331,639 | 409,517 | 192,207 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 512,440 | 393,617 | 301,073 | 428,972 | 459,359 | 720,655 |
| 12,257,378 | 11,095,401 | 12,312,481 | 10,878,025 | 9,786,893 | 10,695,092 |
| 34,527,866 | 35,378,988 | 37,930,957 | 37,755,219 | 38,319,449 | 42,470,982 |
| 5,177,762 | 7,732,350 | 5,917,802 | 4,122,051 | 5,780,208 | 5,058,014 |
| 10,379,492 | 6,215,323 | 5,976,224 | 6,382,757 | 4,343,937 | 4,420,694 |
| 15,557,254 | 13,947,673 | 11,894,026 | 10,504,808 | 10,124,145 | 9,478,708 |
| 23,515,027 | 27,400,473 | 26,886,599 | 26,851,642 | 30,156,269 | 30,937,553 |
| 3,933,223 | 4,615,464 | 4,649,679 | 4,147,603 | 4,156,495 | 5,896,351 |
| 22,636,870 | 17,310,724 | 18,288,705 | 17,260,782 | 14,130,830 | 15,115,786 |
| \$50,085,120 | \$49,326,661 | \$49,824,983 | \$48,260,027 | \$48,443,594 | \$51,949,690 |

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

| | 2017 | 2016 | 2015 | 2014 |
|--|---------------------|---------------------|---------------------|---------------------|
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services and Operating Assessments: | | | | |
| General Government | \$2,624,304 | \$2,091,912 | \$2,005,099 | \$1,991,734 |
| Security of Persons and Property: | | | | |
| Police | 84,151 | 72,916 | 75,978 | 63,182 |
| Fire | 556,192 | 446,599 | 427,422 | 421,128 |
| Public Health and Welfare | 0 | 13,594 | 12,823 | 16,260 |
| Leisure Time Activities | 76,815 | 147,253 | 138,904 | 155,147 |
| Community Development | 383,288 | 330,365 | 315,862 | 319,742 |
| Basic Utility Services | 1,130,383 | 1,055,333 | 1,100,278 | 322,754 |
| Subtotal - Charges for Services | <u>4,855,133</u> | <u>4,157,972</u> | <u>4,076,366</u> | <u>3,289,947</u> |
| Operating Grants and Contributions: | | | | |
| General Government | 424,599 | 599,256 | 693,783 | 532,841 |
| Security of Persons and Property: | | | | |
| Police | 610,459 | 671,049 | 528,757 | 527,943 |
| Fire | 283,456 | 311,739 | 231,128 | 272,107 |
| Public Health and Welfare | 37,556 | 42,595 | 34,457 | 51,589 |
| Leisure Time Activities | 13,273 | 10,773 | 10,720 | 9,114 |
| Community Development | 0 | 0 | 0 | 13,300 |
| Basic Utility Services | 0 | 0 | 0 | 0 |
| Transportation | 630,845 | 617,326 | 655,509 | 605,421 |
| Subtotal - Operating Grants and Contributions | <u>2,000,188</u> | <u>2,252,738</u> | <u>2,154,354</u> | <u>2,012,315</u> |
| Capital Grants and Contributions: | | | | |
| General Government | 158,644 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| Subtotal - Capital Grants and Contributions | <u>158,644</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Total Governmental Activities Program Revenues</i> | <u>7,013,965</u> | <u>6,410,710</u> | <u>6,230,720</u> | <u>5,302,262</u> |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water | 4,353,737 | 4,203,457 | 4,188,578 | 4,332,748 |
| Wastewater | 2,646,583 | 2,446,549 | 2,359,234 | 2,295,773 |
| Operating Grants and Contributions | | | | |
| Water | 0 | 0 | 0 | 10,219 |
| Wastewater | 0 | 0 | 0 | 8,258 |
| Capital Grants and Contributions | | | | |
| Water | 0 | 0 | 0 | 0 |
| Wastewater | 0 | 0 | 0 | 0 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>7,000,320</u> | <u>6,650,006</u> | <u>6,547,812</u> | <u>6,646,998</u> |
| <i>Total Primary Government Program Revenues</i> | <u>\$14,014,285</u> | <u>\$13,060,716</u> | <u>\$12,778,532</u> | <u>\$11,949,260</u> |

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$2,022,787 | \$2,082,652 | \$2,083,696 | \$1,858,638 | \$1,934,236 | \$2,226,427 |
| 80,900 | 64,368 | 64,974 | 60,445 | 65,680 | 32,779 |
| 442,342 | 429,512 | 434,885 | 380,753 | 397,435 | 311,809 |
| 16,179 | 14,211 | 14,892 | 42,651 | 45,060 | 39,230 |
| 128,060 | 128,611 | 153,829 | 119,801 | 126,569 | 112,805 |
| 342,753 | 329,643 | 334,687 | 272,543 | 284,584 | 339,374 |
| 286,690 | 310,771 | 289,719 | 292,043 | 334,195 | 323,511 |
| <u>3,319,711</u> | <u>3,359,768</u> | <u>3,376,682</u> | <u>3,026,874</u> | <u>3,187,759</u> | <u>3,385,935</u> |
| 567,338 | 445,252 | 585,887 | 475,317 | 501,895 | 441,910 |
| 611,749 | 565,729 | 430,038 | 891,928 | 478,920 | 362,903 |
| 258,393 | 355,615 | 397,242 | 423,286 | 221,427 | 409,838 |
| 19,968 | 88,825 | 25,779 | 34,725 | 23,293 | 13,399 |
| 19,950 | 13,128 | 4,325 | 14,635 | 7,500 | 0 |
| 109,365 | 212,341 | 133,616 | 853,331 | 113,029 | 101,163 |
| 0 | 0 | 0 | 5,898 | 0 | 0 |
| 658,948 | 625,168 | 594,471 | 618,478 | 620,287 | 668,247 |
| <u>2,245,711</u> | <u>2,306,058</u> | <u>2,171,358</u> | <u>3,317,598</u> | <u>1,966,351</u> | <u>1,997,460</u> |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 5,000 | 97,583 | 24,856 | 392 | 227,431 |
| <u>0</u> | <u>5,000</u> | <u>97,583</u> | <u>24,856</u> | <u>392</u> | <u>227,431</u> |
| 5,565,422 | 5,670,826 | 5,645,623 | 6,369,328 | 5,154,502 | 5,610,826 |
| 4,800,197 | 4,532,355 | 4,417,995 | 4,354,170 | 4,020,958 | 3,729,987 |
| 2,467,029 | 2,386,595 | 2,233,413 | 2,196,959 | 2,116,968 | 2,091,081 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 428,182 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>7,766</u> |
| 7,267,226 | 6,918,950 | 7,079,590 | 6,551,129 | 6,137,926 | 5,828,834 |
| <u>\$12,832,648</u> | <u>\$12,589,776</u> | <u>\$12,725,213</u> | <u>\$12,920,457</u> | <u>\$11,292,428</u> | <u>\$11,439,660</u> |

(continued)

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

| | 2017 | 2016 | 2015 | 2014 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | \$5,898,647 | \$5,633,886 | \$4,903,243 | \$5,075,154 |
| Security of Persons and Property: | | | | |
| Police | 6,174,284 | 5,870,246 | 5,453,464 | 5,453,595 |
| Fire | 4,372,079 | 4,485,723 | 4,305,885 | 4,091,826 |
| Public Health and Welfare | 237,521 | 208,978 | 207,634 | 192,212 |
| Leisure Time Activities | 1,296,875 | 1,351,664 | 1,353,647 | 1,348,774 |
| Community Development | 751,443 | 802,316 | 954,588 | 867,243 |
| Basic Utility Services | 1,028,879 | 1,002,418 | 1,037,997 | 1,035,156 |
| Transportation | 3,488,901 | 3,484,480 | 4,282,467 | 3,700,311 |
| Interest and Fiscal Charges | 280,639 | 351,868 | 378,656 | 425,081 |
| <i>Total Governmental Activities Expenses</i> | <u>23,529,268</u> | <u>23,191,579</u> | <u>22,877,581</u> | <u>22,189,352</u> |
| Business-Type Activities | | | | |
| Water | 3,438,819 | 3,312,714 | 3,131,099 | 3,785,358 |
| Wastewater | 2,184,316 | 2,190,291 | 1,832,603 | 2,340,584 |
| <i>Total Business-Type Activities Expenses</i> | <u>5,623,135</u> | <u>5,503,005</u> | <u>4,963,702</u> | <u>6,125,942</u> |
| <i>Total Primary Government Program Expenses</i> | <u>29,152,403</u> | <u>28,694,584</u> | <u>27,841,283</u> | <u>28,315,294</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | (16,515,303) | (16,780,869) | (16,646,861) | (16,887,090) |
| Business-Type Activities | 1,377,185 | 1,147,001 | 1,584,110 | 521,056 |
| <i>Total Primary Government Net Expense</i> | <u>(\$15,138,118)</u> | <u>(\$15,633,868)</u> | <u>(\$15,062,751)</u> | <u>(\$16,366,034)</u> |

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$4,922,271 | \$5,451,587 | \$5,091,308 | \$4,908,785 | \$4,928,374 | \$5,323,310 |
| 5,560,147 | 5,660,332 | 5,290,725 | 5,247,617 | 5,359,101 | 5,446,671 |
| 3,976,171 | 4,106,403 | 3,779,111 | 3,755,520 | 3,598,515 | 4,097,079 |
| 176,774 | 180,994 | 194,643 | 177,865 | 166,753 | 221,252 |
| 1,316,269 | 1,343,654 | 1,324,108 | 1,391,675 | 1,386,520 | 1,503,009 |
| 753,096 | 746,201 | 843,855 | 949,599 | 912,620 | 729,553 |
| 1,036,719 | 1,015,825 | 1,010,797 | 1,054,778 | 1,046,474 | 1,027,983 |
| 4,343,828 | 4,363,978 | 4,303,602 | 4,685,770 | 4,447,747 | 4,786,782 |
| 379,698 | 735,190 | 560,422 | 509,591 | 566,322 | 592,927 |
| <u>22,464,973</u> | <u>23,604,164</u> | <u>22,398,571</u> | <u>22,681,200</u> | <u>22,412,426</u> | <u>23,728,566</u> |
| 3,853,350 | 3,234,955 | 4,131,949 | 4,515,808 | 3,854,565 | 3,231,458 |
| 2,175,580 | 2,040,179 | 1,958,932 | 2,051,038 | 2,024,262 | 1,880,937 |
| <u>6,028,930</u> | <u>5,275,134</u> | <u>6,090,881</u> | <u>6,566,846</u> | <u>5,878,827</u> | <u>5,112,395</u> |
| <u>28,493,903</u> | <u>28,879,298</u> | <u>28,489,452</u> | <u>29,248,046</u> | <u>28,291,253</u> | <u>28,840,961</u> |
| (16,899,551) | (17,933,338) | (16,752,948) | (16,311,872) | (17,257,924) | (18,117,740) |
| 1,238,296 | 1,643,816 | 988,709 | (15,717) | 259,099 | 716,439 |
| <u>(\$15,661,255)</u> | <u>(\$16,289,522)</u> | <u>(\$15,764,239)</u> | <u>(\$16,327,589)</u> | <u>(\$16,998,825)</u> | <u>(\$17,401,301)</u> |

(continued)

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

| | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|--------------------|
| General Revenues and Other | | | | |
| Changes in Net Position | | | | |
| Governmental Activities | | | | |
| Taxes: | | | | |
| Property and Taxes Levied For: | | | | |
| General Purposes | \$1,830,637 | \$1,899,363 | \$1,892,764 | \$1,925,157 |
| Debt Service | 0 | 0 | 0 | 0 |
| Public Safety | 2,392,770 | 2,482,983 | 2,474,584 | 2,507,739 |
| Municipal Income Taxes levied for: | | | | |
| General Purposes | 7,584,295 | 7,998,584 | 7,552,029 | 9,379,819 |
| Debt Service | 870,034 | 853,939 | 835,265 | 1,069,643 |
| Grants and Entitlements not Restricted to | | | | |
| Specific Programs | 291,638 | 616,412 | 638,689 | 777,765 |
| Investment Income | 86,161 | 58,552 | 56,884 | 42,732 |
| Gain on Sale of Capital Assets | 25,733 | 20,257 | 21,898 | 644 |
| Miscellaneous | 346,412 | 284,100 | 163,639 | 267,595 |
| <i>Total Governmental Activities</i> | <u>13,427,680</u> | <u>14,214,190</u> | <u>13,635,752</u> | <u>15,971,094</u> |
| Business-Type Activities | | | | |
| Municipal Income Taxes levied for: | | | | |
| Other Purpose - Wastewater | 0 | 0 | 0 | 17 |
| Investment Income | 74,119 | 27,237 | 69,286 | 48,047 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 0 |
| Miscellaneous | 56,302 | 51,910 | 34,877 | 36,285 |
| <i>Total Business-Type Activities</i> | <u>130,421</u> | <u>79,147</u> | <u>104,163</u> | <u>84,349</u> |
| <i>Total Primary Government General Revenues</i> <i>and Other Changes in Net Position</i> | <u>13,558,101</u> | <u>14,293,337</u> | <u>13,739,915</u> | <u>16,055,443</u> |
| Change in Net Position | | | | |
| Governmental Activities | (3,087,623) | (2,566,679) | (3,011,109) | (915,996) |
| Business-Type Activities | 1,507,606 | 1,226,148 | 1,688,273 | 605,405 |
| <i>Total Primary Government Change in Net Position</i> | <u>(\$1,580,017)</u> | <u>(\$1,340,531)</u> | <u>(\$1,322,836)</u> | <u>(\$310,591)</u> |

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------|-------------|-------------|-------------|---------------|---------------|
| \$1,831,056 | \$1,898,877 | \$2,263,682 | \$2,306,766 | \$2,340,611 | \$2,436,161 |
| 201,493 | 225,894 | 32,714 | 0 | 0 | 0 |
| 2,657,842 | 2,778,562 | 3,003,234 | 3,016,795 | 943,569 | 880,740 |
| 9,668,374 | 8,904,771 | 9,277,242 | 8,145,582 | 7,616,052 | 9,098,927 |
| 710,925 | 720,216 | 680,703 | 657,234 | 626,789 | 680,711 |
| 675,467 | 632,800 | 1,131,551 | 1,406,412 | 950,510 | 1,852,030 |
| 26,397 | 20,824 | 108,763 | 37,698 | 172,163 | 411,024 |
| 5,645 | 32,484 | 17,041 | 4,957 | 145,395 | 114,650 |
| 271,230 | 166,941 | 413,756 | 172,198 | 311,302 | 237,977 |
| 16,048,429 | 15,381,369 | 16,928,686 | 15,747,642 | 13,106,391 | 15,712,220 |
| 304,759 | 309,255 | 291,679 | 276,601 | 250,344 | 291,734 |
| 49,334 | 67,547 | 81,581 | 31,346 | 90,936 | 145,854 |
| 1,074 | 0 | 0 | 21,696 | 0 | 0 |
| 16,118 | 33,029 | 27,249 | 66,737 | 45,058 | 30,342 |
| 371,285 | 409,831 | 400,509 | 396,380 | 386,338 | 467,930 |
| 16,419,714 | 15,791,200 | 17,329,195 | 16,144,022 | 13,492,729 | 16,180,150 |
| (851,122) | (2,551,969) | 175,738 | (564,230) | (4,151,533) | (2,405,520) |
| 1,609,581 | 2,053,647 | 1,389,218 | 380,663 | 645,437 | 1,184,369 |
| \$758,459 | (\$498,322) | \$1,564,956 | (\$183,567) | (\$3,506,096) | (\$1,221,151) |

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

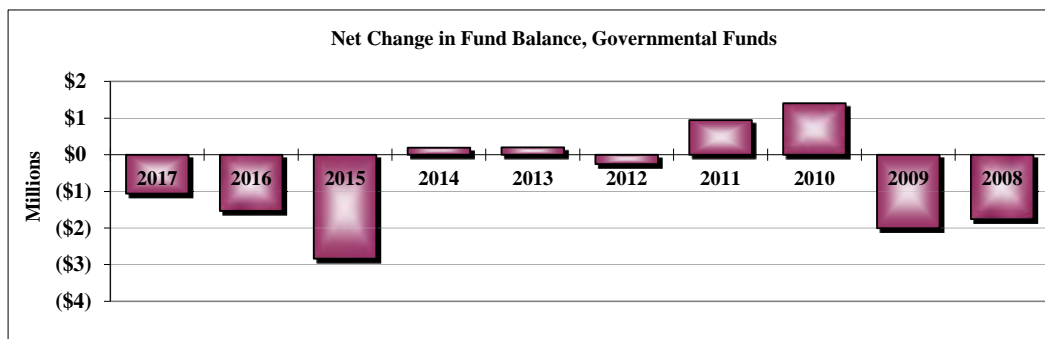
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------------------------|--------------------|---------------------|---------------------|---------------------|
| General Fund | | | | |
| Nonspendable | \$189,233 | \$209,918 | \$217,793 | \$274,070 |
| Committed | 42,575 | 49,682 | 80,219 | 74,017 |
| Assigned | 1,284,897 | 1,494,492 | 1,122,196 | 384,937 |
| Unassigned | <u>4,761,381</u> | <u>6,186,875</u> | <u>7,648,848</u> | <u>10,580,613</u> |
| <i>Total General Fund</i> | <u>6,278,086</u> | <u>7,940,967</u> | <u>9,069,056</u> | <u>11,313,637</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | 36,390 | 39,676 | 4,970 | 0 |
| Restricted | 3,483,206 | 2,912,679 | 3,358,301 | 3,294,744 |
| Committed | 0 | 27,350 | 20,150 | 1,000 |
| Assigned | 0 | 0 | 0 | 368,211 |
| Unassigned (Deficit) | <u>(367,092)</u> | <u>(429,515)</u> | <u>(427,549)</u> | <u>(115,499)</u> |
| Total All Other Governmental Funds | <u>3,152,504</u> | <u>2,550,190</u> | <u>2,955,872</u> | <u>3,548,456</u> |
| <i>Total Governmental Funds</i> | <u>\$9,430,590</u> | <u>\$10,491,157</u> | <u>\$12,024,928</u> | <u>\$14,862,093</u> |

Note: The City implemented GASB 54 in 2009 resulting in a restatement to the 2008 balances.

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$219,643 | \$180,077 | \$201,231 | \$140,994 | \$166,953 | \$205,924 |
| 198,997 | 24,374 | 16,033 | 12,216 | 517 | 0 |
| 306,154 | 74,306 | 61,663 | 45,607 | 66,615 | 614,578 |
| 10,194,477 | 10,193,528 | 10,019,811 | 8,974,991 | 8,431,130 | 9,627,764 |
| 10,919,271 | 10,472,285 | 10,298,738 | 9,173,808 | 8,665,215 | 10,448,266 |
| 7,623 | 7,623 | 7,583 | 98,803 | 127,351 | 49,844 |
| 3,390,016 | 3,834,556 | 3,979,152 | 3,729,801 | 3,268,902 | 3,434,707 |
| 15,091 | 79,064 | 311,465 | 80,540 | 6,158 | 0 |
| 411,139 | 96,367 | 145,418 | 690,032 | 297,817 | 437,035 |
| (74,710) | (23,847) | (22,443) | 0 | 0 | 0 |
| 3,749,159 | 3,993,763 | 4,421,175 | 4,599,176 | 3,700,228 | 3,921,586 |
| \$14,668,430 | \$14,466,048 | \$14,719,913 | \$13,772,984 | \$12,365,443 | \$14,369,852 |

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

| | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|-------------------|
| Revenues | | | | |
| Property Taxes | \$4,216,562 | \$4,386,786 | \$4,392,595 | \$4,405,478 |
| Municipal Income Taxes | 8,614,846 | 8,501,776 | 8,386,622 | 10,577,142 |
| Charges for Services | 822,464 | 782,465 | 774,248 | 809,192 |
| Fees, Licenses and Permits | 188,598 | 226,107 | 231,680 | 206,441 |
| Fines and Forfeitures | 2,688,635 | 1,938,316 | 1,807,734 | 1,846,563 |
| Intergovernmental | 2,340,145 | 2,897,135 | 2,765,672 | 2,819,122 |
| Special Assessments | 1,121,031 | 1,055,304 | 425,339 | 402,243 |
| Contributions and Donations | 12,855 | 12,600 | 14,860 | 1,430 |
| Interest | 85,700 | 57,555 | 55,625 | 41,413 |
| Rentals | 55,346 | 96,142 | 108,498 | 94,528 |
| Other | 341,429 | 284,100 | 163,639 | 225,746 |
| <i>Total Revenues</i> | <u>20,487,611</u> | <u>20,238,286</u> | <u>19,126,512</u> | <u>21,429,298</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 5,077,822 | 5,122,688 | 5,118,077 | 4,723,290 |
| Security of Persons and Property: | | | | |
| Police | 5,747,521 | 5,520,532 | 5,293,746 | 5,324,905 |
| Fire | 3,838,863 | 3,931,121 | 3,865,897 | 4,147,726 |
| Public Health and Welfare | 221,430 | 213,497 | 206,858 | 191,430 |
| Leisure Time Activities | 1,196,561 | 1,257,864 | 1,283,579 | 1,267,915 |
| Community Development | 687,946 | 777,336 | 945,958 | 882,144 |
| Basic Utilities Services | 1,028,260 | 1,001,800 | 1,037,379 | 1,040,927 |
| Transportation | 2,383,539 | 2,440,812 | 2,296,232 | 2,099,274 |
| Capital Outlay | 112,820 | 114,405 | 672,342 | 202,915 |
| Debt Service: | | | | |
| Principal Retirement | 992,011 | 940,539 | 969,929 | 946,462 |
| Interest and Fiscal Charges | 240,474 | 345,957 | 366,788 | 410,107 |
| Payment to Refunded Bond Escrow Agent | 0 | 127,058 | 0 | 0 |
| Bond Issuance Costs | 0 | 42,725 | 0 | 29,459 |
| <i>Total Expenditures</i> | <u>21,527,247</u> | <u>21,836,334</u> | <u>22,056,785</u> | <u>21,266,554</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,039,636)</u> | <u>(1,598,048)</u> | <u>(2,930,273)</u> | <u>162,744</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 129,069 | 21,552 | 21,898 | 6,820 |
| OPWC Loans Issued | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 6,035,268 | 0 | 835,000 |
| Premium on Bonds Issued | 0 | 0 | 0 | 39,099 |
| Payment to Refunded Bond Escrow Agent | 0 | (5,992,543) | 0 | (850,000) |
| Inception of Capital Lease | 0 | 0 | 71,210 | 0 |
| Transfers In | 4,514,738 | 4,302,330 | 4,310,932 | 4,104,476 |
| Transfers Out | (4,664,738) | (4,302,330) | (4,310,932) | (4,104,476) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(20,931)</u> | <u>64,277</u> | <u>93,108</u> | <u>30,919</u> |
| <i>Net Change in Fund Balances</i> | <u>(\$1,060,567)</u> | <u>(\$1,533,771)</u> | <u>(\$2,837,165)</u> | <u>\$193,663</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 5.8% | 6.0% | 6.3% | 6.5% |



| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------|--------------------|-------------------|--------------------|----------------------|----------------------|
| \$4,723,597 | \$5,079,292 | \$5,136,936 | \$5,174,321 | \$3,311,558 | \$3,314,450 |
| 9,905,568 | 9,928,119 | 9,671,215 | 8,819,439 | 8,528,730 | 9,401,167 |
| 795,226 | 646,510 | 1,024,848 | 748,132 | 1,029,766 | 774,816 |
| 243,858 | 210,796 | 248,260 | 211,116 | 162,453 | 207,702 |
| 1,909,110 | 1,948,751 | 1,761,228 | 1,695,770 | 1,746,097 | 1,917,688 |
| 3,007,667 | 3,051,857 | 3,417,329 | 4,455,400 | 2,908,431 | 3,954,097 |
| 392,386 | 427,208 | 387,548 | 416,092 | 425,542 | 449,480 |
| 60,297 | 14,708 | 48,317 | 83,320 | 40,855 | 0 |
| 26,012 | 19,645 | 106,187 | 33,409 | 158,561 | 386,021 |
| 98,701 | 242,940 | 24,632 | 24,090 | 15,480 | 14,290 |
| 236,534 | 139,610 | 389,241 | 146,708 | 348,026 | 237,977 |
| <u>21,398,956</u> | <u>21,709,436</u> | <u>22,215,741</u> | <u>21,807,797</u> | <u>18,675,499</u> | <u>20,657,688</u> |
| 4,651,606 | 5,033,052 | 4,638,074 | 4,432,001 | 4,652,214 | 4,833,025 |
| 5,452,264 | 5,471,831 | 5,303,242 | 5,081,196 | 5,265,227 | 5,296,548 |
| 3,807,815 | 3,897,559 | 3,643,979 | 3,637,500 | 3,421,428 | 3,967,593 |
| 177,384 | 179,563 | 193,914 | 175,806 | 161,799 | 210,749 |
| 1,206,358 | 1,265,328 | 1,316,961 | 1,686,229 | 1,313,051 | 1,408,141 |
| 880,795 | 852,251 | 859,349 | 1,255,407 | 911,782 | 1,728,246 |
| 1,036,719 | 1,015,825 | 1,010,797 | 1,054,778 | 1,046,474 | 1,025,646 |
| 2,325,768 | 2,425,410 | 2,390,859 | 2,200,388 | 2,362,348 | 2,674,815 |
| 1,401,483 | 473,374 | 1,230,803 | 1,841,744 | 534,808 | 474,873 |
| 845,150 | 899,520 | 722,062 | 690,481 | 665,084 | 652,402 |
| 383,517 | 482,024 | 526,162 | 466,198 | 493,363 | 519,709 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 67,270 | 0 | 0 | 55,200 | 0 | 0 |
| <u>22,236,129</u> | <u>21,995,737</u> | <u>21,836,202</u> | <u>22,576,928</u> | <u>20,827,578</u> | <u>22,791,747</u> |
| <u>(837,173)</u> | <u>(286,301)</u> | <u>379,539</u> | <u>(769,131)</u> | <u>(2,152,079)</u> | <u>(2,134,059)</u> |
| 5,645 | 32,896 | 49,041 | 4,387 | 147,670 | 336,433 |
| 0 | 0 | 518,349 | 0 | 0 | 0 |
| 2,314,300 | 0 | 0 | 2,145,000 | 0 | 0 |
| 66,577 | 0 | 0 | 23,710 | 0 | 0 |
| (1,346,967) | 0 | 0 | 0 | 0 | 0 |
| 0 | 39,540 | 0 | 3,575 | 0 | 40,845 |
| 4,677,313 | 3,870,767 | 4,018,869 | 3,858,052 | 3,554,148 | 4,701,390 |
| (4,677,313) | (3,910,767) | (4,018,869) | (3,858,052) | (3,554,148) | (4,701,390) |
| <u>1,039,555</u> | <u>32,436</u> | <u>567,390</u> | <u>2,176,672</u> | <u>147,670</u> | <u>377,278</u> |
| <u>\$202,382</u> | <u>(\$253,865)</u> | <u>\$946,929</u> | <u>\$1,407,541</u> | <u>(\$2,004,409)</u> | <u>(\$1,756,781)</u> |
| 5.9% | 6.5% | 6.1% | 5.9% | 5.8% | 5.5% |

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 |
| 2017 | \$121,543,410 | \$89,088,210 | \$601,804,629 | \$10,140,900 | \$11,523,750 |
| 2016 | 121,809,130 | 93,787,530 | 615,990,457 | 9,514,510 | 10,811,943 |
| 2015 | 127,486,620 | 100,406,370 | 651,122,829 | 9,271,900 | 10,536,250 |
| 2014 | 127,867,150 | 99,086,210 | 648,438,171 | 8,776,990 | 9,973,852 |
| 2013 | 128,477,170 | 101,592,750 | 657,342,629 | 8,103,300 | 9,208,295 |
| 2012 | 150,782,510 | 110,000,870 | 745,095,371 | 7,358,540 | 8,361,977 |
| 2011 | 151,467,810 | 109,940,100 | 746,879,743 | 7,037,960 | 7,997,682 |
| 2010 | 151,771,630 | 115,119,760 | 762,546,829 | 6,869,490 | 7,806,239 |
| 2009 | 172,280,760 | 108,449,470 | 802,086,371 | 6,468,910 | 7,351,034 |
| 2008 | 171,872,930 | 101,454,280 | 780,934,886 | 8,318,020 | 9,452,295 |

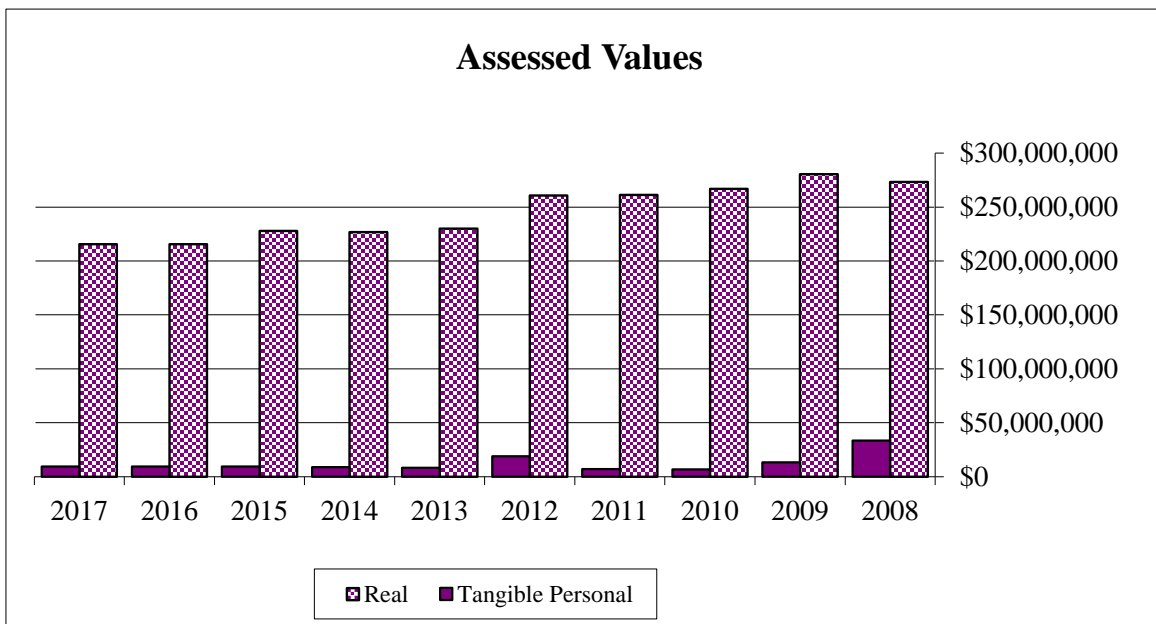
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent 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, at 5 percent for 2010. 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 was 2010).

The tangible personal property values associated with each year were 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 a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Tangible Personal Property

| General Business | | Total | | Ratio | Tax Rate |
|------------------|------------------------|----------------|------------------------|--------|----------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | |
| \$0 | \$0 | \$220,772,520 | \$613,328,379 | 36.00% | \$21.70 |
| 0 | 0 | 225,111,170 | 626,802,400 | 35.91 | 21.70 |
| 0 | 0 | 237,164,890 | 661,659,079 | 35.84 | 21.70 |
| 0 | 0 | 235,730,350 | 658,412,024 | 35.80 | 21.70 |
| 0 | 0 | 238,173,220 | 666,550,924 | 35.73 | 21.70 |
| 0 | 0 | 268,141,920 | 753,457,349 | 35.59 | 21.70 |
| 0 | 0 | 268,445,870 | 754,877,425 | 35.56 | 21.70 |
| 0 | 0 | 273,760,880 | 770,353,067 | 35.54 | 21.70 |
| 6,746,990 | 107,951,840 | 293,946,130 | 917,389,246 | 32.04 | 12.80 |
| 25,224,143 | 201,793,144 | 306,869,373 | 992,180,325 | 30.93 | 12.80 |



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

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 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 | 8.9000 | 8.9000 |
| <i>Total Voted Millage</i> | <u>17.8200</u> | <u>17.8200</u> | <u>17.8200</u> | <u>17.8200</u> | <u>17.8200</u> |
| Total Millage | <u><u>\$21.7000</u></u> | <u><u>\$21.7000</u></u> | <u><u>\$21.7000</u></u> | <u><u>\$21.7000</u></u> | <u><u>\$21.7000</u></u> |
| Overlapping Rates by Taxing District | | | | | |
| Bedford City School District | | | | | |
| Residential/Agricultural Real | \$45.2045 | \$45.1652 | \$44.7465 | \$44.7465 | \$39.7646 |
| Commercial/Industrial and Public Utility Real | 56.3835 | 56.4607 | 54.2630 | 54.2631 | 49.0798 |
| General Business and Public Utility Personal | 75.7200 | 75.7200 | 75.7200 | 75.7200 | 70.8200 |
| Cuyahoga County | | | | | |
| Residential/Agricultural Real | 13.8802 | 13.8698 | 14.0500 | 14.0500 | 14.0500 |
| Commercial/Industrial and Public Utility Real | 14.0124 | 14.0500 | 14.0195 | 14.0195 | 13.9495 |
| General Business and Public Utility Personal | 14.0500 | 14.0500 | 14.0500 | 14.0500 | 14.0500 |
| Special Taxing Districts (1) | | | | | |
| Residential/Agricultural Real | 9.2408 | 9.2368 | 9.3643 | 9.3643 | 8.4639 |
| Commercial/Industrial and Public Utility Real | 9.3438 | 9.3676 | 9.3401 | 9.3401 | 8.3843 |
| General Business and Public Utility Personal | 9.3800 | 9.3800 | 9.3800 | 9.3800 | 8.4800 |

Source: Cuyahoga County Fiscal Officer

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

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

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

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

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

| 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------|-----------|-----------|-----------|-----------|
| \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 | \$3.2800 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 3.8800 | 3.8800 | 3.8800 | 3.8800 | 3.8800 |
| 6.1200 | 6.1200 | 6.1200 | 6.1200 | 6.1200 |
| 2.8000 | 2.8000 | 2.8000 | 2.8000 | 2.8000 |
| 8.9000 | 8.9000 | 8.9000 | 0.0000 | 0.0000 |
| 17.8200 | 17.8200 | 17.8200 | 8.9200 | 8.9200 |
| \$21.7000 | \$21.7000 | \$21.7000 | \$12.8000 | \$12.8000 |

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| \$40.1211 | \$37.5823 | \$38.6990 | \$38.6966 | \$30.9967 |
| 49.2110 | 47.2052 | 48.2579 | 48.1831 | 14.8100 |
| 71.3000 | 71.3000 | 72.5000 | 72.5000 | 67.6000 |

| | | | | |
|---------|---------|---------|---------|---------|
| 13.2200 | 13.1182 | 13.1866 | 13.1789 | 12.6607 |
| 12.9968 | 12.7845 | 12.8412 | 12.8457 | 12.8153 |
| 13.2200 | 13.2200 | 13.3200 | 13.3200 | 13.3200 |

| | | | | |
|--------|--------|--------|--------|--------|
| 7.5635 | 7.5041 | 7.4900 | 7.0069 | 6.6597 |
| 7.4621 | 7.3648 | 7.3450 | 6.9119 | 6.8911 |
| 7.5800 | 7.5800 | 7.5800 | 7.2800 | 7.2800 |

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) |
|------|----------------------|-------------------------------|---|----------------------------------|---------------------------------|
| 2017 | \$4,831,677 | \$4,426,136 | 91.61% | \$246,486 | \$4,672,622 |
| 2016 | 4,963,794 | 4,610,944 | 92.89 | 238,318 | 4,849,262 |
| 2015 | 5,270,491 | 4,656,449 | 88.35 | 221,091 | 4,877,540 |
| 2014 | 5,143,389 | 4,615,212 | 89.73 | 264,398 | 4,879,610 |
| 2013 | 5,366,546 | 5,020,201 | 93.55 | 200,460 | 5,220,661 |
| 2012 | 5,832,805 | 5,353,259 | 91.78 | 467,976 | 5,821,235 |
| 2011 | 5,861,322 | 5,301,685 | 90.45 | 283,869 | 5,585,554 |
| 2010 | 5,838,928 | 5,509,756 | 94.36 | 185,339 | 5,695,095 |
| 2009 | 3,695,369 | 3,465,784 | 93.79 | 152,322 | 3,618,105 |
| 2008 | 3,605,768 | 3,338,117 | 92.58 | 156,286 | 3,494,403 |

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

| Percent of Total Tax Collections To Tax Levy | Accumulated Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Total Tax Levy |
|--|---|--|
| 96.71% | \$875,583 | 18.12% |
| 97.69 | 844,693 | 17.02 |
| 92.54 | 1,030,707 | 19.56 |
| 94.87 | 1,003,154 | 19.50 |
| 97.28 | 891,107 | 16.60 |
| 99.80 | 818,604 | 14.03 |
| 95.30 | 908,736 | 15.50 |
| 97.54 | 670,034 | 11.48 |
| 97.91 | 435,233 | 11.78 |
| 96.91 | 443,464 | 12.30 |

City of Bedford, Ohio
Principal Real Property Taxpayers
 2017 and 2008

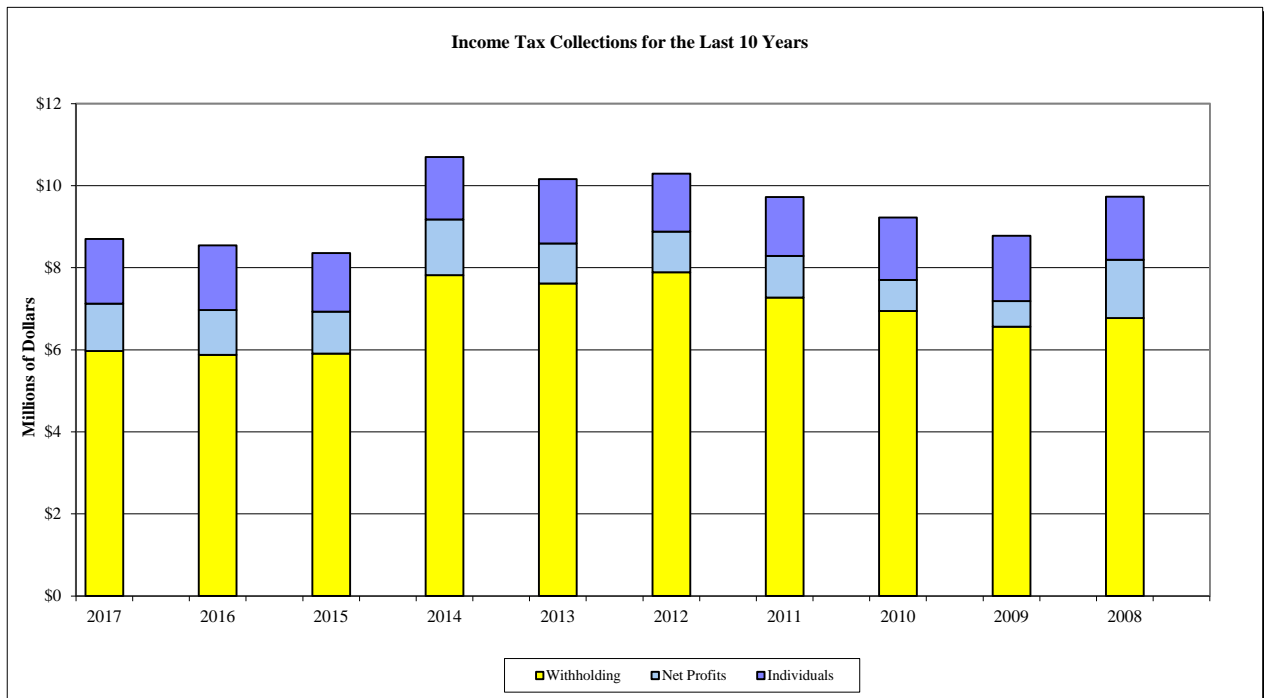
| <i>2017</i> | | |
|---|-------------------------------------|--|
| Taxpayer | Real Property Assessed Valuation | Percentage of Total Real Property Assessed Valuation |
| Cleveland Electric Illuminating Company | \$7,755,110 | 3.68 % |
| Xellia Pharmaceuticals | 6,694,710 | 3.18 |
| Bedford Colony Club Apartments | 4,781,400 | 2.27 |
| Bedford Rockside LLC & Holdings | 4,592,180 | 2.18 |
| Bedford Senior Living Real Estate LLC | 3,185,010 | 1.51 |
| American Transmission System | 2,331,670 | 1.11 |
| West-ward Injectables Incorporated | 1,857,700 | 0.88 |
| Tomken Incorporated | 1,825,050 | 0.87 |
| Vincentian Sisters of Charity | 1,766,200 | 0.84 |
| Pillman, LLC | 1,749,970 | 0.83 |
| Total | \$36,539,000 | 17.35 % |
| Total Real Property Assessed Valuation | \$210,631,620 | |
| <i>2008</i> | | |
| Taxpayer | Real Property Assessed Valuation | Percentage of Total Real Property Assessed Valuation |
| Ben Venue Laboratories Incorporated | \$9,380,670 | 3.43 % |
| Bear Creek Property Company | 7,159,350 | 2.62 |
| Wal-Mart Associates Incorporated | 6,389,290 | 2.34 |
| Cleveland Electric Illuminating Company | 5,345,090 | 1.96 |
| Bedford Colony Club Apartments | 4,571,110 | 1.67 |
| University Hospitals Health Systems | 3,479,780 | 1.27 |
| CSH-ING Woodside Village | 3,164,040 | 1.16 |
| HIN, LLC | 2,800,010 | 1.02 |
| Nextgen Group, LTD | 2,141,170 | 0.78 |
| Colony Club Apartments II | 1,868,860 | 0.69 |
| Total | \$46,299,370 | 16.94 % |
| Total Real Property Assessed Valuation | \$273,327,210 | |

Source: Cuyahoga County Fiscal Officer

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

| Tax Year | Tax Rate | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2017 | 2.25% | \$8,697,922 | \$5,972,191 | 68.66% | \$1,150,153 | 13.22% | \$1,575,578 | 18.12% |
| 2016 | 2.25 | 8,542,762 | 5,874,905 | 68.77 | 1,096,691 | 12.84 | 1,571,166 | 18.39 |
| 2015 | 2.25 | 8,353,995 | 5,906,190 | 70.70 | 1,021,640 | 12.23 | 1,426,165 | 17.07 |
| 2014 | 2.25 | 10,697,349 | 7,818,943 | 73.09 | 1,359,219 | 12.71 | 1,519,187 | 14.20 |
| 2013 | 2.25 | 10,157,319 | 7,613,014 | 74.95 | 981,622 | 9.66 | 1,562,683 | 15.39 |
| 2012 | 2.25 | 10,294,837 | 7,885,409 | 76.60 | 995,553 | 9.67 | 1,413,875 | 13.73 |
| 2011 | 2.25 | 9,725,086 | 7,268,751 | 74.74 | 1,020,089 | 10.49 | 1,436,246 | 14.77 |
| 2010 | 2.25 | 9,222,515 | 6,948,561 | 75.34 | 752,013 | 8.15 | 1,521,941 | 16.51 |
| 2009 | 2.25 | 8,778,810 | 6,564,851 | 74.78 | 621,519 | 7.08 | 1,592,440 | 18.14 |
| 2008 | 2.25 | 9,730,084 | 6,769,942 | 69.58 | 1,422,846 | 14.62 | 1,537,296 | 15.80 |

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



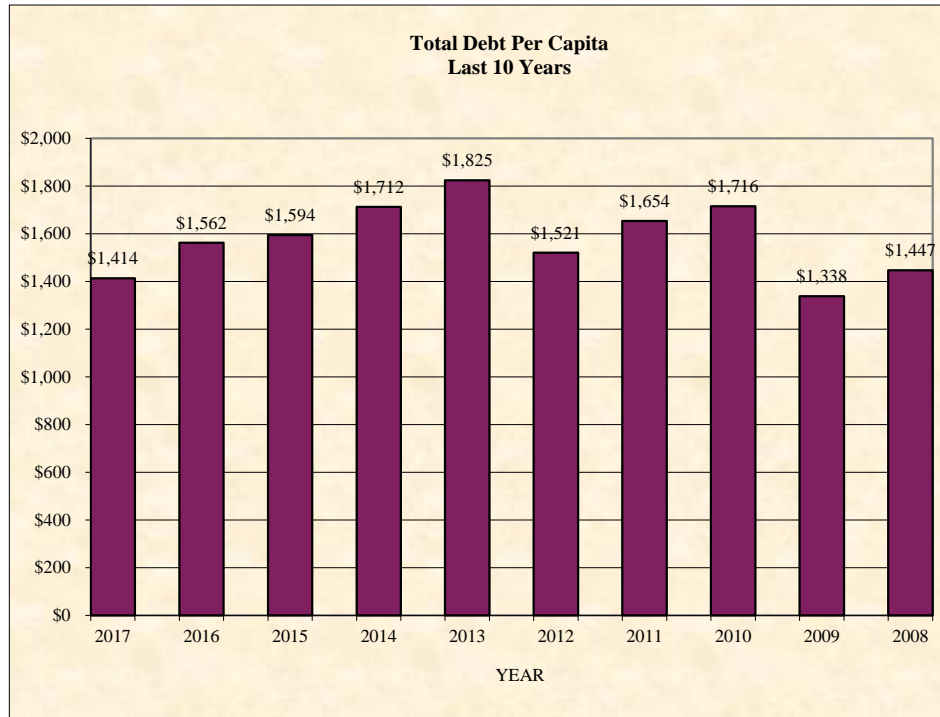
City of Bedford, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

| Year | Governmental Activities | | | |
|------|--------------------------------|--------------------------------|---------------|-------------------|
| | General Obligation Bonds | Special Assessment Bonds | OPWC Loans | Capital Leases |
| 2017 | \$7,911,134 | \$0 | \$440,633 | \$39,728 |
| 2016 | 8,832,323 | 0 | 492,479 | 61,996 |
| 2015 | 9,673,174 | 0 | 544,325 | 85,006 |
| 2014 | 10,525,186 | 60,000 | 596,171 | 27,222 |
| 2013 | 11,330,105 | 115,000 | 659,147 | 31,164 |
| 2012 | 10,984,030 | 170,000 | 733,253 | 44,475 |
| 2011 | 11,729,474 | 240,000 | 807,359 | 12,915 |
| 2010 | 11,963,792 | 310,000 | 337,199 | 22,845 |
| 2009 | 10,341,088 | 370,000 | 385,388 | 31,102 |
| 2008 | 10,861,303 | 430,000 | 433,577 | 42,712 |

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

Business-Type Activities

| General Obligation Bonds | OWDA Loans | OPWC Loans | Total Debt | Percentage of Personal Income | Per Capita |
|--------------------------------|---------------|---------------|---------------|-------------------------------------|---------------|
| \$8,182,525 | \$932,915 | \$982,700 | \$18,489,635 | 5.88% | \$1,414 |
| 8,888,909 | 1,068,445 | 1,076,532 | 20,420,684 | 6.86 | 1,562 |
| 8,172,090 | 1,198,841 | 1,170,364 | 20,843,800 | 6.86 | 1,594 |
| 8,591,978 | 1,324,296 | 1,264,195 | 22,389,048 | 7.63 | 1,712 |
| 8,916,167 | 1,444,998 | 1,362,192 | 23,858,773 | 7.63 | 1,825 |
| 4,095,413 | 2,393,182 | 1,460,186 | 19,880,539 | 6.63 | 1,521 |
| 4,439,170 | 3,298,229 | 1,092,830 | 21,619,977 | 6.82 | 1,654 |
| 4,652,674 | 3,977,893 | 1,168,124 | 22,432,527 | 7.23 | 1,716 |
| 1,919,316 | 4,729,073 | 1,243,418 | 19,019,385 | 6.73 | 1,338 |
| 2,145,609 | 5,442,910 | 1,210,512 | 20,566,623 | 7.28 | 1,447 |



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

| Year | Population (1) | | Estimated True Values of Taxable Property (2) | Gross Bonded Debt (3) (4) | Ratio of Bonded Debt to Estimated True Values of Taxable Property | Bonded Debt Per Capita |
|------|----------------|---|--|---------------------------------|--|------------------------------|
| 2017 | 13,074 | b | \$613,328,379 | \$16,093,659 | 2.62 % | \$1,231 |
| 2016 | 13,074 | b | 626,802,400 | 17,721,232 | 2.83 | 1,355 |
| 2015 | 13,074 | b | 661,659,079 | 17,845,264 | 2.70 | 1,365 |
| 2014 | 13,074 | b | 658,412,024 | 19,117,164 | 2.90 | 1,462 |
| 2013 | 13,074 | b | 666,550,924 | 20,246,272 | 3.04 | 1,549 |
| 2012 | 13,074 | b | 753,457,349 | 15,079,443 | 2.00 | 1,153 |
| 2011 | 13,074 | b | 754,877,425 | 16,168,644 | 2.14 | 1,237 |
| 2010 | 13,074 | b | 770,353,067 | 16,616,466 | 2.16 | 1,271 |
| 2009 | 14,214 | a | 917,389,246 | 12,260,404 | 1.34 | 863 |
| 2008 | 14,214 | a | 992,180,325 | 13,006,912 | 1.31 | 915 |

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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

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

City of Bedford, Ohio

*Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017*

| <u>Jurisdiction</u> | <u>Governmental Activities Debt Outstanding</u> | <u>Percentage Applicable to City (1)</u> | <u>Amount Applicable to City of Bedford</u> |
|---------------------------------|---|--|---|
| Direct - City of Bedford | | | |
| General Obligation Bonds | \$7,911,134 | 100.00% | \$7,911,134 |
| OPWC Loans | 440,633 | 100.00% | 440,633 |
| Capital Leases | <u>39,728</u> | 100.00% | <u>39,728</u> |
| <i>Total Direct Debt</i> | <u>8,391,495</u> * | | <u>8,391,495</u> |
| Overlapping | | | |
| Bedford School District | | | |
| General Obligation Bonds | 1,151,610 | 43.53% | 501,296 |
| Cuyahoga County | | | |
| General Obligation Bonds | 222,259,855 | 0.08% | 177,808 |
| Revenue Bonds | 712,717,846 | 0.08% | 570,174 |
| Certificates of Participation | 246,517,627 | 0.08% | 197,214 |
| Loans Payable | 1,677,337 | 0.08% | 1,342 |
| Capital Leases | 361,144,312 | 0.08% | 288,915 |
| Greater Cleveland Regional | | | |
| Transit Authority | <u>140,323,087</u> | 0.08% | <u>112,258</u> |
| <i>Total Overlapping Debt</i> | <u>1,685,791,674</u> | | <u>1,849,007</u> |
| Total | <u><u>\$1,694,183,169</u></u> | | <u><u>\$10,240,502</u></u> |

Source: Cuyahoga County, Ohio; County Fiscal Officer

(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.

* \$3,945,765 of the total \$7,838,090 of total outstanding general obligation debt is backed by two revenue sources.

\$2,951,152 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.

\$994,613 of general obligation debt is backed by a municipal court fee which is added to court cases.

A final source of revenue for the repayment of this debt is real estate taxes. We do not anticipate that any of the \$3,945,765 of outstanding debt will be subject to repayment from this resource.

City of Bedford, Ohio

Legal Debt Margin

Last Ten Years

| | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|
| Population | 13,074 | 13,074 | 13,074 | 13,074 |
| Total Assessed Property Value | <u>\$220,772,520</u> | <u>\$225,111,170</u> | <u>\$237,164,890</u> | <u>\$235,730,350</u> |
| General Bonded Debt Outstanding: | | | | |
| General Obligation Notes/Bonds | \$15,818,100 | \$17,422,750 | \$17,515,000 | \$18,760,000 |
| Special Assessment Bonds | 0 | 0 | 0 | 60,000 |
| OPWC Loans | 1,423,333 | 1,569,011 | 1,714,689 | 1,860,366 |
| OWDA Loans | <u>932,915</u> | <u>1,068,445</u> | <u>1,198,841</u> | <u>1,324,296</u> |
| Total Gross Indebtedness | 18,174,348 | 20,060,206 | 20,428,530 | 22,004,662 |
| Less: | | | | |
| General Obligation Notes/Bonds | (11,925,775) | (12,861,677) | (10,401,500) | (11,057,100) |
| Special Assessment Bonds | 0 | 0 | 0 | (60,000) |
| OPWC Loans | (1,423,333) | (1,569,011) | (1,714,689) | (1,860,366) |
| OWDA Loans | (932,915) | (1,068,445) | (1,198,841) | (1,324,296) |
| General Obligation Bond Retirement Fund Balance | <u>(211,332)</u> | <u>(172,668)</u> | <u>(221,147)</u> | <u>(222,155)</u> |
| Total Net Debt Applicable to Debt Limit | <u>3,680,993</u> | <u>4,388,405</u> | <u>6,892,353</u> | <u>7,480,745</u> |
| Overall Legal Debt Limit (10 ½ % of Assessed Valuation) | <u>23,181,115</u> | <u>23,636,673</u> | <u>24,902,313</u> | <u>24,751,687</u> |
| Legal Debt Margin Within 10 ½ % Limitations | <u>\$19,500,122</u> | <u>\$19,248,268</u> | <u>\$18,009,960</u> | <u>\$17,270,942</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 84.12% | 81.43% | 72.32% | 69.78% |
| Unvoted Debt Limitation 5 ½ % of Assessed Valuation | <u>\$12,142,489</u> | <u>\$12,381,114</u> | <u>\$13,044,069</u> | <u>\$12,965,169</u> |
| Total Gross Indebtedness | 18,174,348 | 20,060,206 | 20,428,530 | 22,004,662 |
| Less: | | | | |
| General Obligation Notes/Bonds | (11,925,775) | (12,861,677) | (10,401,500) | (11,057,100) |
| Special Assessment Bonds | 0 | 0 | 0 | (60,000) |
| OPWC Loans | (1,423,333) | (1,569,011) | (1,714,689) | (1,860,366) |
| OWDA Loans | (932,915) | (1,068,445) | (1,198,841) | (1,324,296) |
| General Obligation Bond Retirement Fund Balance | <u>(211,332)</u> | <u>(172,668)</u> | <u>(221,147)</u> | <u>(222,155)</u> |
| Net Debt Within 5 ½ % Limitations | <u>3,680,993</u> | <u>4,388,405</u> | <u>6,892,353</u> | <u>7,480,745</u> |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations | <u>\$8,461,496</u> | <u>\$7,992,709</u> | <u>\$6,151,716</u> | <u>\$5,484,424</u> |
| Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 69.69% | 64.56% | 47.16% | 42.30% |

Source: City Financial Records

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 13,074 | 13,074 | 13,074 | 13,074 | 14,214 | 14,214 |
| <u>\$238,173,220</u> | <u>\$268,141,920</u> | <u>\$268,445,870</u> | <u>\$273,760,880</u> | <u>\$293,946,130</u> | <u>\$306,869,373</u> |
| \$20,040,000 | \$15,045,000 | \$16,130,000 | \$16,970,000 | \$12,680,000 | \$13,455,000 |
| 115,000 | 170,000 | 240,000 | 310,000 | 370,000 | 430,000 |
| 2,021,339 | 2,193,739 | 1,900,189 | 1,505,323 | 1,628,806 | 1,644,089 |
| <u>1,444,998</u> | <u>2,393,182</u> | <u>3,298,229</u> | <u>4,162,292</u> | <u>4,991,234</u> | <u>5,774,833</u> |
| 23,621,337 | 19,801,921 | 21,568,418 | 22,947,615 | 19,670,040 | 21,303,922 |
| (15,766,000) | (10,538,200) | (11,360,400) | (12,075,900) | (9,809,700) | (10,473,500) |
| (115,000) | (170,000) | (240,000) | (310,000) | (370,000) | (430,000) |
| (2,021,339) | (2,193,739) | (1,900,189) | (1,505,323) | (1,628,806) | (1,488,054) |
| <u>(1,444,998)</u> | <u>(2,393,182)</u> | <u>(3,298,229)</u> | <u>(4,162,292)</u> | <u>(4,991,234)</u> | <u>(5,774,833)</u> |
| <u>(138,356)</u> | <u>(112,729)</u> | <u>(42,256)</u> | <u>(5,458)</u> | <u>(527)</u> | <u>(20,324)</u> |
| <u>4,135,644</u> | <u>4,394,071</u> | <u>4,727,344</u> | <u>4,888,642</u> | <u>2,869,773</u> | <u>3,117,211</u> |
| <u>25,008,188</u> | <u>28,154,902</u> | <u>28,186,816</u> | <u>28,744,892</u> | <u>30,864,344</u> | <u>32,221,284</u> |
| <u>\$20,872,544</u> | <u>\$23,760,831</u> | <u>\$23,459,472</u> | <u>\$23,856,250</u> | <u>\$27,994,571</u> | <u>\$29,104,073</u> |
| 83.46% | 84.39% | 83.23% | 82.99% | 90.70% | 90.33% |
| <u>\$13,099,527</u> | <u>\$14,747,806</u> | <u>\$14,764,523</u> | <u>\$15,056,848</u> | <u>\$16,167,037</u> | <u>\$16,877,816</u> |
| 23,621,337 | 19,801,921 | 21,568,418 | 22,947,615 | 19,670,040 | 21,303,922 |
| (15,766,000) | (10,538,200) | (11,360,400) | (12,075,900) | (9,809,700) | (10,473,500) |
| (115,000) | (170,000) | (240,000) | (310,000) | (370,000) | (430,000) |
| (2,021,339) | (2,193,739) | (1,900,189) | (1,505,323) | (1,628,806) | (1,488,054) |
| <u>(1,444,998)</u> | <u>(2,393,182)</u> | <u>(3,298,229)</u> | <u>(4,162,292)</u> | <u>(4,991,234)</u> | <u>(5,774,833)</u> |
| <u>(138,356)</u> | <u>(112,729)</u> | <u>(42,256)</u> | <u>(5,458)</u> | <u>(527)</u> | <u>(20,324)</u> |
| <u>4,135,644</u> | <u>4,394,071</u> | <u>4,727,344</u> | <u>4,888,642</u> | <u>2,869,773</u> | <u>3,117,211</u> |
| <u>\$8,963,883</u> | <u>\$10,353,735</u> | <u>\$10,037,179</u> | <u>\$10,168,206</u> | <u>\$13,297,264</u> | <u>\$13,760,605</u> |
| 68.43% | 70.21% | 67.98% | 67.53% | 82.25% | 81.53% |

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

| Year | Water Service Charges and Interest | Direct Operating Expenses (2) | Net Available Revenue | Debt Service (1) Principal | Coverage |
|------|--|-------------------------------------|--------------------------|-------------------------------|----------|
| 2017 | \$4,408,845 | \$3,101,594 | \$1,307,251 | \$42,700 | 30.61 |
| 2016 | 4,223,537 | 2,988,410 | 1,235,127 | 42,700 | 28.93 |
| 2015 | 4,229,352 | 2,839,417 | 1,389,935 | 42,700 | 32.55 |
| 2014 | 4,358,698 | 3,479,063 | 879,635 | 42,700 | 20.60 |
| 2013 | 4,827,079 | 3,580,722 | 1,246,357 | 42,700 | 29.19 |
| 2012 | 4,606,712 | 2,909,601 | 1,697,111 | 31,350 | 54.13 |
| 2011 | 4,491,419 | 3,871,249 | 620,170 | 20,000 | 31.01 |
| 2010 | 4,439,060 | 4,317,927 | 121,133 | 20,000 | 6.06 |
| 2009 | 4,122,298 | 3,687,421 | 434,877 | 10,000 | 43.49 |
| 2008 | 3,837,269 | 3,048,014 | 789,255 | 0 | n/a |

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

(2) Direct operating expenses do not include depreciation.

Source: City Financial Records

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

| Year | Wastewater Service Charges and Interest | Direct Operating Expenses (2) | Net Available Revenue | Debt Service (1) | | Coverage |
|------|---|-------------------------------|-----------------------|------------------|----------|----------|
| | | | | Principal | Interest | |
| 2017 | \$2,665,594 | \$1,660,033 | \$1,005,561 | \$186,662 | \$31,047 | 4.62 |
| 2016 | 2,453,706 | 1,678,740 | 774,966 | 181,528 | 45,495 | 3.41 |
| 2015 | 2,387,746 | 1,345,631 | 1,042,115 | 176,586 | 50,436 | 4.59 |
| 2014 | 2,317,870 | 1,748,783 | 569,087 | 175,999 | 55,189 | 2.46 |
| 2013 | 2,489,481 | 1,571,586 | 917,895 | 1,003,478 | 89,638 | 0.84 |
| 2012 | 2,412,814 | 1,400,579 | 1,012,235 | 960,341 | 135,242 | 0.92 |
| 2011 | 2,268,819 | 1,334,752 | 934,067 | 919,357 | 173,759 | 0.85 |
| 2010 | 2,210,152 | 1,437,937 | 772,215 | 900,236 | 236,069 | 0.68 |
| 2009 | 2,151,622 | 1,375,304 | 776,318 | 837,884 | 250,222 | 0.71 |
| 2008 | 2,159,995 | 1,145,837 | 1,014,158 | 797,229 | 284,358 | 0.94 |

(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

| 2017 | | |
|---|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| University Hospitals Health Systems | 1,010 | 8.01% |
| Bedford City School District | 448 | 3.55 |
| US Bank National Association | 395 | 3.13 |
| City of Bedford | 364 | 2.89 |
| Ganley Bedford Imports Incorporated | 333 | 2.64 |
| Motorcars Acquisitions | 317 | 2.51 |
| Renhill Group Incorporated | 190 | 1.51 |
| Jay Pontiac Inc. | 178 | 1.41 |
| Senior Suites at Woodside | 178 | 1.41 |
| Riser Foods Company | 167 | 1.33 |
| Total | 3,580 | 28.39% |
| Total Employment within the City | 12,611 | |

| 2008 | | |
|---|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| Ben Venue Laboratories Incorporated | 1,229 | 7.73% |
| University Hospital Health Systems | 1040 | 6.54 |
| Walmart Associates Incorporated | 693 | 4.36 |
| Bedford City School District | 626 | 3.94 |
| City of Bedford | 353 | 2.22 |
| US Bank National Association | 294 | 1.85 |
| Target Department Stores | 272 | 1.71 |
| Riser Foods Company | 246 | 1.56 |
| Jay Pontiac Inc. | 174 | 1.09 |
| Ace Home Health Care | 173 | 1.09 |
| Total | 5,100 | 32.09% |
| Total Employment within the City | 15,895 | |

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



City of BEDFORD, Ohio

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> |
|-------------|-----------------------|----------------------------------|---------------------------------------|------------------------------------|-----------------------|
| 2017 | 13,074 | \$330,249,230 | \$25,260 | \$41,285 | 40 |
| 2016 | 13,074 | 314,364,330 | 24,045 | 39,820 | 40 |
| 2015 | 13,074 | 303,905,130 | 23,245 | 39,820 | 40 |
| 2014 | 13,074 | 303,525,984 | 23,216 | 40,417 | 42 |
| 2013 | 13,074 | 303,499,836 | 23,214 | 40,860 | 42 |
| 2012 | 13,074 | 302,597,730 | 23,145 | 42,474 | 42 |
| 2011 | 13,074 | 312,808,524 | 23,926 | 42,171 | 42 |
| 2010 | 13,074 | 312,808,524 | 23,926 | 42,171 | 42 |
| 2009 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |
| 2008 | 14,214 | 285,360,264 | 20,076 | 36,943 | 39 |

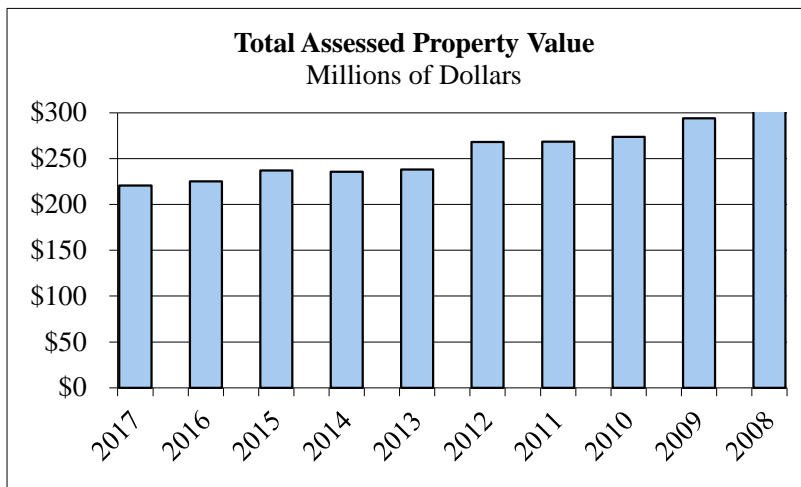
(1) Source: U. S. Census

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

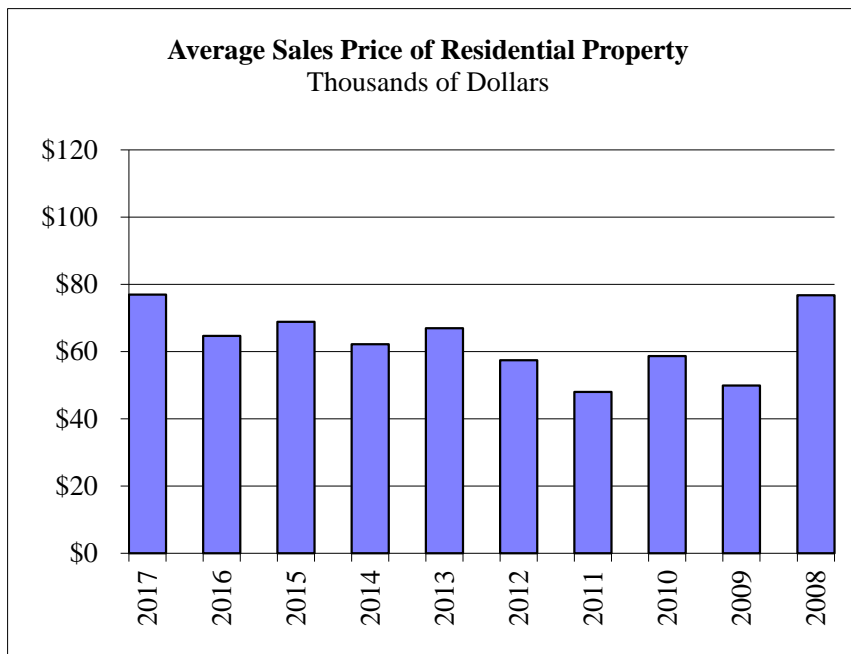
(3) Source: Ohio Department of Job and Family Services. Unemployment rate for City of Bedford unavailable.

(4) Source: Cuyahoga County Fiscal Officer

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



| Educational Attainment: Bachelor's Degree or Higher (1) | School Enrollment (2) | Cuyahoga County Unemployment Rate (3) | Average Sales Price of Residential Property (4) | Total Assessed Property Value (4) |
|---|-----------------------|---------------------------------------|---|-----------------------------------|
| 21.3% | 3,161 | 4.8% | \$77,008 | \$220,772,520 |
| 21.3 | 3,295 | 5.3 | 64,716 | 225,111,170 |
| 14.3 | 3,331 | 4.0 | 68,865 | 237,164,890 |
| 13.9 | 3,437 | 6.0 | 62,191 | 235,730,350 |
| 13.5 | 3,700 | 7.2 | 66,945 | 238,173,220 |
| 18.0 | 3,529 | 7.3 | 57,479 | 268,141,920 |
| 18.0 | 4,011 | 7.1 | 48,000 | 268,445,870 |
| 18.2 | 4,011 | 8.6 | 58,663 | 273,760,880 |
| 18.2 | 4,170 | 9.0 | 49,900 | 293,946,130 |
| 18.2 | 4,108 | 7.1 | 76,750 | 306,869,373 |



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

| Function/Program | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|
| General Government | | | | |
| Council | 8.00 | 8.00 | 8.00 | 8.00 |
| Finance | 5.00 | 5.00 | 5.00 | 5.00 |
| Tax | 3.50 | 3.00 | 3.00 | 3.00 |
| City Manager | 1.00 | 1.00 | 1.00 | 1.00 |
| Law | 1.50 | 1.50 | 1.00 | 1.00 |
| Administration | 2.50 | 2.00 | 2.50 | 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 | 35.00 | 31.00 | 34.00 | 32.50 |
| Public Building | 4.00 | 4.00 | 4.00 | 4.00 |
| Security of Persons and Property | | | | |
| Police | 30.00 | 31.00 | 30.00 | 30.00 |
| Police - Auxiliary/Guards | 11.00 | 12.00 | 10.50 | 13.00 |
| Police - Dispatchers/Office/Other | 6.50 | 5.50 | 5.50 | 13.50 |
| Police - Jailers | 3.00 | 3.50 | 3.50 | 2.50 |
| Police - Animal Wardens | 1.00 | 1.50 | 1.50 | 1.50 |
| Fire | 27.00 | 29.00 | 29.00 | 29.00 |
| Fire - Secretary - Other | 1.00 | 1.00 | 1.00 | 1.00 |
| Public Health Services | | | | |
| Cemetery | 1.50 | 1.50 | 1.50 | 1.50 |
| Leisure Time Activities | | | | |
| Recreation | 27.00 | 27.00 | 29.50 | 33.50 |
| Municipal Pool | 18.50 | 18.50 | 17.50 | 16.00 |
| Ellenwood Center | 5.00 | 5.00 | 5.00 | 4.00 |
| Community Development | | | | |
| Building | 5.00 | 5.00 | 5.00 | 4.50 |
| Economic Development | 1.00 | 0.00 | 1.00 | 1.00 |
| Transportation | | | | |
| Service | 19.00 | 19.00 | 17.50 | 17.00 |
| Street Maintenance and Repair | 2.50 | 5.50 | 5.50 | 5.50 |
| Basic Utility Services | | | | |
| Water | 8.00 | 8.00 | 8.00 | 8.00 |
| Wastewater | 10.50 | 10.50 | 10.50 | 10.50 |
| Totals: | <u>243.00</u> | <u>244.00</u> | <u>245.50</u> | <u>254.00</u> |

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

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

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| 5.00 | 5.00 | 5.00 | 5.50 | 5.50 | 5.50 |
| 3.00 | 3.50 | 3.50 | 3.50 | 3.00 | 3.50 |
| 1.00 | 1.00 | 1.00 | 1.00 | 0.00 | 1.00 |
| 1.00 | 1.50 | 1.00 | 1.00 | 1.50 | 1.00 |
| 2.50 | 2.50 | 2.00 | 3.00 | 2.50 | 4.00 |
| 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 32.50 | 34.00 | 33.50 | 33.50 | 31.50 | 35.50 |
| 4.00 | 4.00 | 5.00 | 5.00 | 3.50 | 5.50 |
| 31.00 | 31.00 | 31.00 | 32.00 | 31.00 | 35.00 |
| 12.50 | 12.50 | 16.50 | 14.50 | 14.50 | 16.00 |
| 12.00 | 14.00 | 13.50 | 14.00 | 15.00 | 15.50 |
| 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 1.50 | 1.50 | 3.00 | 2.00 | 2.00 | 2.50 |
| 29.00 | 27.00 | 27.00 | 26.00 | 27.00 | 27.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.50 | 1.50 | 2.00 | 2.00 | 1.00 | 1.00 |
| 30.00 | 15.00 | 18.50 | 17.50 | 14.50 | 20.00 |
| 18.50 | 17.00 | 16.00 | 16.00 | 15.50 | 16.50 |
| 4.50 | 3.50 | 3.50 | 3.50 | 5.50 | 3.50 |
| 5.50 | 4.50 | 5.50 | 5.50 | 5.50 | 5.50 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 |
| 19.50 | 19.50 | 19.00 | 17.50 | 19.50 | 20.50 |
| 5.50 | 5.50 | 8.00 | 8.00 | 2.00 | 6.50 |
| 8.50 | 8.50 | 8.50 | 8.50 | 8.50 | 9.00 |
| 10.50 | 10.50 | 10.50 | 10.50 | 10.00 | 10.50 |
| <u>256.50</u> | <u>240.50</u> | <u>251.00</u> | <u>247.50</u> | <u>236.50</u> | <u>263.50</u> |

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

| Function/Program | 2017 | 2016 | 2015 | 2014 |
|--|-------------|--------------|--------------|--------------|
| General Government | | | | |
| <i>Council & Clerk</i> | | | | |
| Number of Ordinances Passed | 89 | 112 | 117 | 103 |
| Number of Resolutions Passed | 12 | 9 | 11 | 13 |
| <i>Finance Department</i> | | | | |
| Number of checks/ vouchers issued | 2,950 | 3,118 | 3,223 | 3,238 |
| Amount of checks written | \$8,370,768 | \$17,510,364 | \$19,939,028 | \$19,871,636 |
| Interest earnings for fiscal year (cash basis) | \$158,597 | \$121,599 | \$93,411 | \$72,883 |
| Number of Receipts issued | 2,223 | 2,157 | 1,978 | 2,021 |
| Number of Journal Entries issued | 1,391 | 1,397 | 1,426 | 1,451 |
| Number of Budget Adjustments issued | 20 | 53 | 92 | 87 |
| Agency Ratings - Standard & Poors | AA- | AA- | AA | AA |
| Agency Ratings - Moody's Financial Services | A1 | A1 | Aa3 | Aa3 |
| Health Insurance Costs vs General Fund Expenditures % | 22.00% | 23.33% | 15.60% | 16.41% |
| General Fund Receipts (cash basis in thousands) | \$15,196 | \$19,731 | \$19,344 | \$21,539 |
| General Fund Expenditures (cash basis in thousands) | \$15,913 | \$14,615 | \$15,483 | \$14,988 |
| General Fund Cash Balances (in thousands) | \$5,171 | \$6,922 | \$7,606 | \$9,545 |
| <i>Income Tax Department</i> | | | | |
| Number of Individual Returns | 7,146 | 6,600 | 6,398 | 6,372 |
| Number of Business Returns | 2,762 | 2,499 | 2,360 | 2,623 |
| Number of business withholding accounts | 1,089 | 1,083 | 1,000 | 926 |
| Amount of Penalties and Interest Collected | \$106,225 | \$143,184 | \$140,676 | \$131,146 |
| Annual number of Corporate withholding forms processed | 5,140 | 5,164 | 4,880 | 4,664 |
| Annual number of balance due statements forms processed | 19,179 | 17,305 | 17,963 | 18,439 |
| Annual number of estimated payment forms processed | 8,715 | 8,576 | 8,438 | 8,990 |
| Annual number of reconciliations of withholdings processed | 5,892 | 6,048 | 1,162 | 1,078 |
| <i>Engineer Contracted Services</i> | | | | |
| Dollar amount of Construction overseen by Engineer | \$914,418 | \$2,041,941 | \$1,041,557 | \$1,292,838 |
| <i>Municipal Court</i> | | | | |
| Number of Civil Cases | 6,358 | 5,948 | 5,936 | 6,251 |
| Number of Criminal cases | 13,922 | 12,374 | 11,259 | 11,759 |
| <i>Vital Statistics - Office Closed at end of 2014</i> | | | | |
| Certificates Filed | | | | |
| Number of Births | 0 | 0 | 0 | 1 |
| Number of Deaths | 0 | 0 | 0 | 163 |
| Certificates Issued | | | | |
| Number of Births | 0 | 0 | 0 | 923 |
| Number of Deaths | 0 | 0 | 0 | 714 |
| Burial Permits Issued | 0 | 0 | 0 | 528 |
| <i>Civil Service</i> | | | | |
| Number of police entry tests administered | 0 | 0 | 1 | 0 |
| Number of fire entry tests administered | 0 | 0 | 0 | 1 |
| Number of police promotional tests administered | 0 | 0 | 0 | 0 |
| Number of fire promotional tests administered | 0 | 0 | 0 | 0 |
| Number of hires of Police Officers from certified lists | 0 | 0 | 4 | 2 |
| Number of hires of Fire/Medics from certified lists | 0 | 0 | 1 | 2 |
| Number of promotions from police certified lists | 0 | 0 | 0 | 1 |
| Number of promotions from fire certified lists | 0 | 0 | 0 | 1 |

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 103 | 109 | 140 | 231 | 276 | 265 |
| 9 | 13 | 13 | 25 | 17 | 23 |
| 3,584 | 3,962 | 4,029 | 4,158 | 4,089 | 4,377 |
| \$21,519,508 | \$19,835,510 | \$22,586,194 | \$22,247,906 | \$22,593,479 | \$23,125,393 |
| \$51,348 | \$56,610 | \$78,405 | \$80,918 | \$261,084 | \$536,297 |
| 2,140 | 2,160 | 2,088 | 1,798 | 1,802 | 1,677 |
| 1,394 | 1,139 | 1,078 | 1,043 | 1,015 | 1,166 |
| 96 | 108 | 102 | 93 | 88 | 115 |
| AA | AA | AA | AA | AA- | AA- |
| Aa2 | Aa2 | Aa2 | Aa2 | A1 | A1 |
| 17.25% | 17.47% | 13.75% | 11.33% | 12.98% | 13.25% |
| \$21,168 | \$21,284 | \$21,682 | \$20,947 | \$20,887 | \$21,478 |
| \$14,998 | \$14,878 | \$14,663 | \$14,832 | \$17,007 | \$17,047 |
| \$8,794 | \$8,242 | \$7,818 | \$6,598 | \$6,283 | \$7,903 |
| 6,336 | 6,446 | 6,474 | 6,509 | 6,324 | 6,760 |
| 2,550 | 2,365 | 2,739 | 2,689 | 2,784 | 2,877 |
| 862 | 880 | 872 | 1,015 | 1,249 | 1,230 |
| \$128,946 | \$102,127 | \$114,277 | \$158,390 | \$134,751 | \$134,751 |
| 4,424 | 4,560 | 4,568 | 6,598 | 7,332 | 7,296 |
| 17,467 | 15,287 | 13,272 | 13,754 | 16,407 | 15,509 |
| 8,198 | 7,785 | 7,610 | 8,622 | 9,835 | 11,530 |
| 1,005 | 1,013 | 1,011 | 1,154 | 1,026 | 1,296 |
| \$3,128,387 | \$1,721,452 | \$1,969,866 | \$2,302,984 | \$377,787 | \$1,453,306 |
| 6,318 | 6,155 | 6,225 | 4,558 | 4,664 | 5,770 |
| 11,442 | 10,923 | 9,610 | 9,869 | 10,675 | 11,400 |
| 3 | 1 | 2 | 4 | 1 | 1 |
| 216 | 217 | 228 | 242 | 233 | 266 |
| 548 | 340 | 347 | 535 | 685 | 859 |
| 828 | 886 | 1,044 | 1,112 | 1,104 | 1,385 |
| 482 | 609 | 757 | 668 | 646 | 698 |
| 1 | 0 | 1 | 0 | 0 | 0 |
| 0 | 0 | 0 | 1 | 0 | 0 |
| 0 | 1 | 0 | 1 | 0 | 0 |
| 0 | 1 | 0 | 0 | 0 | 0 |
| 0 | 2 | 2 | 0 | 0 | 2 |
| 3 | 1 | 0 | 0 | 0 | 0 |
| 3 | 1 | 1 | 0 | 1 | 3 |
| 1 | 0 | 0 | 0 | 0 | 1 |

(continued)

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

| Function/Program | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|-------------|-------------|
| <i>Building Department Indicators</i> | | | | |
| Construction Permits Issued | 114 | 124 | 129 | 116 |
| Estimated Value of Construction | \$11,830,500 | \$6,978,300 | \$1,342,297 | \$4,112,496 |
| Number of all permits issued | 758 | 844 | 943 | 820 |
| Amount of Revenue generated from permits | \$76,097 | \$72,427 | \$63,308 | \$62,586 |
| Number of contract registrations issued | 454 | 531 | 506 | 470 |
| Number of rental inspections performed | 461 | 465 | 495 | 533 |
| Number of point of sale inspections | 7 | 98 | 284 | 275 |
| Annual Apartment/Rooming House License Fees | \$38,680 | \$38,225 | \$37,535 | \$37,990 |
| Revenue generated from inspections | \$58,855 | \$140,655 | \$70,477 | \$66,052 |
| Security of Persons & Property | | | | |
| <i>Police</i> | | | | |
| Total Calls for Services | 19,876 | 17,418 | 16,338 | 16,088 |
| Number of traffic citations issued | 2,376 | 1,970 | 1,454 | 1,293 |
| Number of parking citations issued | 1,113 | 1,169 | 863 | 658 |
| Number of criminal arrests | 1,405 | 1,584 | 1,665 | 1,665 |
| Number of accident reports completed | 352 | 319 | 335 | 248 |
| Part I Offenses (major offenses) | 308 | 341 | 569 | 520 |
| Animal Warden service calls responded to per annual report | 932 | 932 | 834 | 1,058 |
| Police Dept. Auxiliary hours worked | 2,953 | 3,015 | 2,387 | 2,504 |
| Prisoner meal costs | \$23,899 | \$25,654 | \$17,179 | \$15,420 |
| Juvenile Arrests | 118 | 76 | 91 | 162 |
| Motor Vehicle Accidents | 352 | 319 | 343 | 324 |
| Property damage accidents | 45 | 75 | 132 | 153 |
| Fatalities from Motor Vehicle Accidents | 0 | 0 | 0 | 0 |
| Gasoline costs of fleet | \$67,966 | \$63,642 | \$67,829 | \$72,754 |
| Community Diversion Program Youths | 16 | 21 | 3 | 15 |
| Community Diversion Program - community service hours | 326 | 280 | 72 | 260 |
| <i>Fire</i> | | | | |
| EMS Calls | 1,961 | 1,944 | 1,980 | 1,893 |
| Ambulance Billing Collections (net) | \$417,404 | \$423,967 | \$432,015 | \$414,024 |
| Fire Calls | 720 | 521 | 505 | 516 |
| Fires with Loss | 18 | 21 | 13 | 16 |
| Fires with Losses exceeding \$25K | 4 | 6 | 2 | 7 |
| Fire Losses \$ | \$305,050 | \$529,500 | \$258,050 | \$429,100 |
| Fire Safety Inspections | 306 | 306 | 313 | 322 |
| Number of times Mutual Aid given to Fire and EMS | 103 | 85 | 109 | 111 |
| Number of times Mutual Aid received for Fire and EMS | 139 | 60 | 99 | 73 |
| Public Health & Welfare | | | | |
| Cemetery burials | 38 | 29 | 34 | 39 |
| Cemetery cremations | 13 | 14 | 14 | 20 |
| Cemetery sale of lots | 32 | 31 | 22 | 38 |
| Cemetery receipts | \$47,625 | \$34,345 | \$37,275 | \$55,465 |

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------|-------------|-------------|--------------|-------------|-------------|
| 121 | 116 | 132 | 129 | 145 | 129 |
| \$12,323,104 | \$4,872,989 | \$2,608,998 | \$20,457,039 | \$1,438,179 | \$6,321,592 |
| 806 | 768 | 820 | 806 | 759 | 848 |
| \$76,997 | \$47,651 | \$47,116 | \$60,187 | \$29,842 | \$77,938 |
| 484 | 475 | 463 | 471 | 495 | 450 |
| 480 | 549 | 590 | 564 | 475 | 451 |
| 286 | 227 | 221 | 228 | 227 | 253 |
| \$39,010 | \$38,200 | \$36,190 | \$37,830 | \$38,900 | \$36,040 |
| \$80,699 | \$88,175 | \$80,795 | \$82,905 | \$83,120 | \$87,985 |
| 19,210 | 22,943 | 22,236 | 22,378 | 23,467 | 24,866 |
| 1,139 | 1,421 | 1,329 | 1,887 | 2,233 | 2,505 |
| 759 | 1,027 | 942 | 1,493 | 1,447 | 1,438 |
| 1,957 | 2,622 | 2,233 | 1,978 | 2,367 | 2,284 |
| 243 | 254 | 309 | 307 | 336 | 470 |
| 572 | 614 | 703 | 571 | 669 | 600 |
| 1,149 | 1,473 | 1,549 | 1,469 | 1,532 | 1,542 |
| 2,617 | 2,798 | 3,566 | 3,303 | 4,315 | 3,529 |
| \$23,363 | \$25,729 | \$17,798 | \$16,013 | \$30,929 | \$28,509 |
| 156 | 195 | 188 | 289 | 349 | 455 |
| 307 | 254 | 308 | 302 | 323 | 459 |
| 208 | 7 | 5 | 18 | 30 | 36 |
| 4 | 0 | 1 | 1 | 0 | 2 |
| \$77,037 | \$77,141 | \$72,985 | \$46,347 | \$55,521 | \$86,900 |
| 19 | 25 | 24 | 38 | 64 | 49 |
| 352 | 364 | 348 | 408 | 548 | 516 |
| 1,802 | 1,865 | 1,849 | 1,776 | 1,673 | 1,954 |
| \$418,560 | \$436,301 | \$459,828 | \$359,515 | \$400,528 | \$429,346 |
| 515 | 490 | 716 | 917 | 583 | 502 |
| 15 | 13 | 16 | 14 | 13 | 28 |
| 5 | 2 | 0 | 1 | 6 | 2 |
| \$293,450 | \$227,150 | \$181,800 | \$112,650 | \$299,000 | \$160,170 |
| 333 | 332 | 363 | 369 | 392 | 393 |
| 114 | 89 | 78 | 70 | 105 | 111 |
| 103 | 118 | 127 | 123 | 89 | 13 |
| 43 | 29 | 33 | 37 | 289 | 23 |
| 20 | 24 | 13 | 9 | 17 | 13 |
| 26 | 34 | 121 | 20 | 45 | 40 |
| \$48,362 | \$41,320 | \$75,588 | \$32,865 | \$45,120 | \$39,230 |

(continued)

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

| Function/Program | 2017 | 2016 | 2015 | 2014 |
|--|------------------|------------------|------------------|------------------|
| Leisure Time Activities | | | | |
| <i>Recreation</i> | | | | |
| Recreation Swimming pool receipts | \$34,363 | \$39,594 | \$31,087 | \$34,139 |
| Recreation Mens & Womens Leagues receipts | 40,120 | 40,138 | 35,528 | 32,968 |
| Senior Van Fees | 2,799 | 2,558 | 2,505 | 2,239 |
| Playground Registration | 33,185 | 21,345 | 23,880 | 34,650 |
| Ellenwood Facilities rentals | 33,794 | 40,684 | 37,641 | 34,068 |
| | <u>\$144,261</u> | <u>\$144,319</u> | <u>\$130,641</u> | <u>\$138,064</u> |
| Community Development | | | | |
| Grant amounts received due to Economic Development Dept. | \$0 | \$175,110 | \$14,730 | \$27,408 |
| Basic Utility Services | | | | |
| Refuse disposal per year (in tons) August through July | 5,238 | 5,001 | 4,675 | 4,602 |
| Refuse disposal costs per year August through July | \$688,094 | \$683,197 | \$712,512 | \$707,790 |
| Cost per household per month | \$12 | \$12 | \$12 | \$12 |
| Annual recycling tonnage (excluding leaf, and compost items) | 1,046 | 892 | 349 | 346 |
| Percentage of waste recycled | 16.64% | 15.14% | 6.95% | 6.99% |
| Transportation | | | | |
| Street Improvements - asphalt overlay (linear feet) | 0 | 0 | 0 | 0 |
| Crackseal Coating Program (Miles) | 7.20 | 7.20 | 7.20 | 7.20 |
| Street Repair (Curbs, aprons, berms, asphalt) (hours) | 4,454 | 4,403 | 4,825 | 3,800 |
| Guardrail Repair (hours) | 20 | 8 | 28 | 48 |
| Paint Striping (hours) | 720 | 815 | 812 | 637 |
| Street Sweeper (hours) | 320 | 434 | 323 | 396 |
| Cold Patch (hours) | 1,455 | 1,354 | 1,659 | 1,408 |
| Snow & Ice Removal regular hours | 940 | 688 | 1,148 | 1,166 |
| Snow & Ice Removal overtime hours | 1,013 | 825 | 922 | 1,112 |
| Sewer and Sanitary calls for service | 465 | 484 | 568 | 768 |
| After hours Sewer Calls (hours) | 28 | 28 | 28 | 56 |
| Sewer Crew (hours) | 986 | 1,112 | 1,312 | 1,759 |
| Sewer jet, Vac-all, other services (hours) | 3,951 | 3,828 | 278 | 202 |
| Landscaping Stump-Chipper service (hours) | 2,860 | 3,906 | 3,544 | 3,731 |
| Leaf collection (hours) | 2,087 | 1,882 | 1,755 | 2,108 |
| Holiday lights setup (hours) | 1,501 | 1,597 | 1,685 | 1,630 |
| Downtown Square Repair after events (hours) | 1,040 | 735 | 580 | 996 |
| Equipment repair/body shop (hours) | 5,587 | 6,009 | 5,077 | 5,568 |
| Sign department (hours) | 1,047 | 1,269 | 946 | 2,135 |
| Number of Trees Planted per year | 60-80 | 60-80 | 60-80 | 60-80 |
| Tons of snow melting salt purchased (Nov-Mar) | 3,824 | 4,061 | 4,233 | 5,027 |
| Cost of salt purchased | \$146,982 | \$218,501 | \$219,199 | \$120,101 |
| 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 | \$28 | \$28 | \$28 | \$27 |
| Avg. number of water accounts billed monthly (Cu. Ft.) | 5,012 | 4,989 | 4,998 | 5,006 |
| Total Water Collections Annually (Including P&I) | \$4,342,613 | \$4,129,600 | \$4,195,268 | \$4,366,295 |
| Payments to Cleveland for bulk water purchases | \$2,130,031 | \$2,256,791 | \$2,211,920 | \$2,699,458 |
| Wastewater Department | | | | |
| Wastewater Rates per 1st 300 Cu ft of water used | \$22.00 | \$21.00 | \$20.00 | \$20.00 |
| Total flow of wastewater treatment plant (Billions of Gallons) | 0.788 | 0.733 | 0.726 | 0.827 |
| Average daily flow (Millions of gallons per day) | 2.159 | 2.002 | 1.988 | 2.267 |
| Tons of dry sludge removed | 177.00 | 375.00 | 196.30 | 272.63 |

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

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$32,364 | \$39,798 | \$40,704 | \$40,128 | \$35,152 | \$39,378 |
| 39,766 | 41,511 | 40,960 | 41,249 | 45,542 | 31,948 |
| 2,577 | 2,536 | 2,766 | 2,804 | 2,793 | 2,268 |
| 24,900 | 18,910 | 15,325 | 21,027 | 19,930 | 20,509 |
| 27,110 | 26,006 | 25,418 | 26,504 | 24,278 | 19,857 |
| <u>\$126,717</u> | <u>\$128,761</u> | <u>\$125,173</u> | <u>\$131,712</u> | <u>\$127,695</u> | <u>\$113,960</u> |
| \$232,062 | \$106,145 | \$586,562 | \$664,367 | \$11,913 | \$461,066 |
| 4,368 | 4,622 | 4,667 | 4,717 | 4,769 | 5,200 |
| \$700,186 | \$696,183 | \$669,194 | \$715,970 | \$723,149 | \$719,902 |
| \$12 | \$12 | \$12 | \$13 | \$13 | \$13 |
| 338 | 341 | 388 | 347 | 379 | 439 |
| 7.21% | 6.87% | 7.68% | 6.85% | 7.36% | 7.79% |
| 26,050 | 0 | 9,650 | 36,900 | 0 | 5,200 |
| 7.20 | 7.20 | 7.20 | 7.20 | 7.20 | 7.20 |
| 4,094 | 4,323 | 3,832 | 3,410 | 4,049 | 4,180 |
| 48 | 48 | 48 | 48 | 48 | 48 |
| 1,164 | 1,275 | 808 | 680 | 1,013 | 876 |
| 381 | 511 | 448 | 808 | 702 | 831 |
| 1,644 | 1,300 | 1,800 | 1,392 | 2,729 | 1,868 |
| 874 | 413 | 946 | 1,558 | 760 | 730 |
| 1,088 | 929 | 987 | 1,864 | 855 | 1,598 |
| 909 | 899 | 974 | 894 | 956 | 834 |
| 209 | 296 | 371 | 331 | 416 | 1,506 |
| 2,227 | 2,179 | 2,168 | 2,494 | 3,718 | 3,747 |
| 2,308 | 2,638 | 3,249 | 2,423 | 1,993 | 2,209 |
| 3,647 | 5,154 | 5,406 | 4,947 | 4,190 | 6,003 |
| 2,148 | 2,024 | 2,083 | 2,313 | 2,424 | 2,243 |
| 1,115 | 1,407 | 1,644 | 1,636 | 1,444 | 1,352 |
| 1,516 | 42 | 69 | 60 | 340 | 340 |
| 5,595 | 5,383 | 5,734 | 6,391 | 6,945 | 6,842 |
| 2,603 | 2,530 | 789 | 856 | 456 | 1,502 |
| 60-80 | 60-80 | 60-80 | 60-80 | 60-80 | 60-80 |
| 4,232 | 3,439 | 5,838 | 5,821 | 5,793 | 1,510 |
| \$155,263 | \$126,869 | \$261,845 | \$261,002 | \$252,186 | \$128,362 |
| 0 | 0 | 0 | 0 | 0 | 1,316 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$21,842 |
| \$25 | \$25 | \$24 | \$23 | \$21 | \$19 |
| 5,004 | 5,004 | 5,005 | 5,003 | 5,008 | 4,999 |
| \$4,384,856 | \$4,643,270 | \$4,021,989 | \$4,341,474 | \$3,954,828 | \$3,532,663 |
| \$2,665,054 | \$2,497,967 | \$2,810,055 | \$3,447,605 | \$2,868,742 | \$2,637,600 |
| \$17.00 | \$17.00 | \$15.00 | \$15.00 | \$14.00 | \$14.00 |
| 0.824 | 0.816 | 0.975 | 0.868 | 0.879 | 0.966 |
| 2.258 | 2.231 | 2.910 | 2.379 | 2.407 | 2.638 |
| 230.40 | 258.56 | 251.70 | 250.40 | 242.73 | 228.14 |

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

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------------|--------|--------|--------|--------|--------|
| General Government | | | | | |
| Square Footage Occupied | 44,035 | 44,035 | 44,035 | 44,035 | 44,035 |
| Administrative Vehicles | 2 | 2 | 2 | 2 | 2 |
| Inspection Vehicles | 2 | 3 | 3 | 3 | 3 |
| Municipal Court Vehicles | 2 | 2 | 2 | 2 | 2 |
| Lands & Buildings Vehicles | 1 | 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 | 23 | 22 | 22 | 22 | 22 |
| Fire | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Square Footage of Building | 14,774 | 14,774 | 14,774 | 14,774 | 14,774 |
| Vehicles | 12 | 12 | 12 | 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 | 14 | 14 |
| Other Public Works | | | | | |
| Streets (miles) | 48 | 48 | 48 | 48 | 48 |
| Service Vehicles | 54 | 56 | 55 | 58 | 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 | 5 | 5 | 5 | 5 | 5 |
| Water Department | | | | | |
| Water Lines (miles) | 100 | 100 | 100 | 100 | 100 |
| Vehicles | 10 | 8 | 8 | 7 | 7 |

Source: City of Bedford

| 2012 | 2011 | 2010 | 2009 | 2008 |
|--------|--------|--------|--------|--------|
| 44,035 | 44,035 | 44,035 | 44,035 | 44,035 |
| 2 | 2 | 2 | 2 | 3 |
| 3 | 2 | 3 | 3 | 3 |
| 2 | 2 | 1 | 1 | 2 |
| 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| 21,667 | 21,667 | 21,667 | 21,667 | 21,667 |
| 22 | 22 | 22 | 22 | 23 |
| 1 | 1 | 1 | 1 | 1 |
| 14,774 | 14,774 | 14,774 | 14,774 | 14,774 |
| 12 | 12 | 13 | 12 | 12 |
| 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 |
| 13 | 13 | 13 | 13 | 15 |
| 48 | 48 | 48 | 48 | 48 |
| 58 | 60 | 60 | 57 | 58 |
| 41.80 | 41.80 | 41.80 | 41.80 | 41.80 |
| 48.70 | 48.70 | 48.70 | 48.70 | 48.70 |
| 7 | 6 | 6 | 7 | 7 |
| 100 | 100 | 100 | 100 | 100 |
| 7 | 7 | 7 | 8 | 7 |

City of Bedford, Ohio
Major Assets and Current Appraised Replacement Costs
Last Ten Years

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | | | | | |
| Municipal Complex | | | | | |
| City Hall Building | \$3,308,094 | \$3,258,962 | \$3,231,180 | \$3,150,774 | \$3,054,068 |
| City Hall Miscellaneous Equipment | 730,925 | 703,535 | 675,456 | 707,310 | 867,386 |
| Garage | 45,059 | 44,393 | 44,033 | 43,576 | 40,737 |
| Radio Building | 14,222 | 14,012 | 13,888 | 13,750 | 12,878 |
| Radio Tower | 44,994 | 44,329 | 44,056 | 43,745 | 42,484 |
| Police | | | | | |
| Municipal Complex | | | | | |
| Justice Center Building | 15,389,315 | 15,151,136 | 15,019,269 | 14,857,685 | 14,437,761 |
| Justice Center Miscellaneous Equipment | 2,435,136 | 2,342,847 | 2,238,977 | 2,141,855 | 2,219,559 |
| Fire | | | | | |
| Municipal Complex | | | | | |
| Station Building | 3,526,959 | 3,474,564 | 3,444,996 | 3,410,159 | 3,267,282 |
| Station Miscellaneous Equipment | 823,757 | 797,187 | 779,652 | 743,675 | 1,118,003 |
| <i>Total Municipal Complex</i> | <u>\$26,318,461</u> | <u>\$25,830,965</u> | <u>\$25,491,507</u> | <u>\$25,112,529</u> | <u>\$25,060,158</u> |
| Recreation | | | | | |
| Ellenwood Rec Center | | | | | |
| Building | \$4,963,697 | \$4,890,182 | \$4,845,929 | \$4,772,769 | \$4,594,985 |
| Municipal Pool | | | | | |
| Bathhouse Building | 314,144 | 309,428 | 274,396 | 271,654 | 293,738 |
| Swimming Pool | 1,153,519 | 1,136,473 | 1,123,330 | 1,111,548 | 1,056,348 |
| Other Public Works | | | | | |
| Service | | | | | |
| Garage - Solon Road | 1,779,298 | 1,752,998 | 1,737,550 | 1,720,335 | 1,919,343 |
| Garage - Salt Storage | 99,114 | 97,649 | 96,788 | 95,829 | 89,426 |
| Administration Building | 1,196,523 | 1,178,809 | 1,168,533 | 1,156,881 | 467,808 |
| Cemetery | | | | | |
| Storage Building | 177,378 | 174,757 | 173,215 | 171,500 | 162,216 |

| 2012 | 2011 | 2010 | 2009 | 2008 | Year Asset Completed, Constructed or Received | Construction Costs | Replacement Factor Increase |
|---------------------|---------------------|---------------------|---------------------|---------------------|--|-----------------------|--------------------------------|
| \$2,955,970 | \$2,893,238 | \$2,790,117 | \$2,765,189 | \$2,629,059 | 2003 | \$2,030,818 | 62.89 % |
| 831,178 | 807,330 | 770,765 | 771,779 | 741,201 | Various | 561,893 | 30.08 |
| 39,200 | 38,655 | 37,026 | 36,674 | 35,605 | 2003 | 27,419 | 64.33 |
| 12,486 | 12,254 | 11,810 | 11,701 | 11,125 | 1997 | 7,317 | 94.37 |
| 41,271 | 40,490 | 39,549 | 39,348 | 36,119 | 2003 | 27,378 | 64.34 |
| 13,998,601 | 13,720,291 | 13,232,422 | 13,089,869 | 12,445,472 | 2003 | 9,573,704 | 60.75 |
| 2,171,894 | 2,118,607 | 2,052,055 | 2,018,069 | 1,874,287 | Various | 1,245,745 | 95.48 |
| 3,169,384 | 3,095,396 | 2,985,454 | 2,958,158 | 2,812,538 | 2003 | 2,162,658 | 63.08 |
| 1,066,317 | 938,759 | 843,619 | 816,287 | 714,104 | Various | 502,303 | 64.00 |
| <u>\$24,286,301</u> | <u>\$23,665,020</u> | <u>\$22,762,817</u> | <u>\$22,507,074</u> | <u>\$21,299,510</u> | | <u>\$16,139,235</u> | 63.07 |
| \$4,456,186 | \$4,371,021 | \$4,214,709 | \$4,176,817 | \$3,971,176 | 1964, 1984, 1998 | \$780,688 | 535.81 |
| 285,506 | 275,905 | 266,485 | 264,044 | 242,512 | 1969 | 58,986 | 432.57 |
| 1,027,574 | 1,001,340 | 968,039 | 960,261 | 894,439 | 1969, 1993 | 817,542 | 41.10 |
| 1,864,429 | 1,825,956 | 1,756,094 | 1,690,926 | 1,573,218 | 1953, 1972, 1979 | 545,316 | 226.29 |
| 86,053 | 84,856 | 81,280 | 80,507 | 78,162 | 1992 | 45,585 | 117.43 |
| 450,161 | 443,286 | 414,777 | 410,833 | n/a | 2009 | 389,322 | 207.34 |
| 156,143 | 153,928 | 147,480 | 146,091 | 141,804 | 1985 | 67,414 | 163.12 |

(continued)

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

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------|------------|------------|------------|------------|
| Wastewater | | | | | |
| Sewage Treatment Plant | | | | | |
| Administration Building | \$184,437 | \$181,712 | \$180,108 | \$178,325 | \$166,135 |
| Administration Miscellaneous Equipment | 193,610 | 190,374 | 190,183 | 187,300 | 906,593 |
| Laboratory Building | 338,734 | 333,625 | 331,096 | 327,538 | 315,445 |
| Laboratory Miscellaneous Equipment | 183,238 | 180,206 | 180,027 | 172,405 | 157,498 |
| Filter Building | 294,392 | 290,042 | 287,483 | 284,637 | 269,177 |
| Filter Miscellaneous Equipment | 585,946 | 576,151 | 485,844 | 478,475 | 488,972 |
| Primary Settling Tanks | 847,706 | 835,178 | 825,521 | 816,862 | 782,419 |
| Primary Settling Tanks - Miscellaneous Equipment | 615,049 | 604,768 | 604,163 | 595,000 | 610,086 |
| Oxidation Tower East Building | 656,365 | 646,665 | 639,186 | 632,483 | 602,200 |
| Oxidation Tower East - Miscellaneous Equipment | 1,030,593 | 1,013,366 | 1,012,354 | 997,000 | 1,017,716 |
| Oxidation Tower West Building | 656,365 | 646,665 | 639,186 | 632,483 | 602,200 |
| Oxidation Tower West - Miscellaneous Equipment | 1,030,593 | 1,013,366 | 1,012,354 | 997,000 | 1,017,716 |
| Equalization Basin Building | 1,744,070 | 1,718,297 | 1,698,425 | 1,680,610 | 1,605,203 |
| Rapid Sand Filter Building | 842,020 | 829,576 | 819,982 | 811,383 | 685,650 |
| Rapid Sand Filter - Miscellaneous Equipment | 1,252,488 | 1,231,592 | 1,230,364 | 1,211,740 | 1,176,005 |
| Final Settling Tank #2 Building | 435,111 | 428,681 | 423,723 | 419,279 | 401,242 |
| Final Settling Tank #2 - Miscellaneous Equipment | 253,255 | 249,022 | 248,773 | 245,000 | 151,979 |
| * Total Buildings | 38,011,516 | 37,438,133 | 37,061,873 | 36,603,805 | 34,868,745 |
| ** Total Miscellaneous Equipment | 9,134,590 | 8,902,414 | 8,658,147 | 8,476,760 | 9,731,513 |

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)

| 2012 | 2011 | 2010 | 2009 | 2008 | Year Asset Completed, Constructed or Received | Construction Costs | Replacement Factor Increase |
|------------|------------|------------|------------|------------|--|-----------------------|--------------------------------|
| \$161,077 | \$158,089 | \$152,361 | \$150,957 | \$143,522 | 1973 | \$30,639 | 501.97 % |
| 892,105 | 383,650 | 372,129 | 371,759 | 351,360 | Various | 479,908 | (59.66) |
| 306,889 | 300,058 | 290,131 | 287,887 | 273,737 | 1986 | 130,207 | 160.15 |
| 147,919 | 142,306 | 139,761 | 139,626 | 133,040 | Various | 70,769 | 158.92 |
| 260,982 | 256,142 | 246,860 | 244,585 | 232,540 | 1973 | 49,644 | 493.01 |
| 483,221 | 464,323 | 455,754 | 455,298 | 433,123 | Various | 238,373 | 145.81 |
| 761,108 | 741,676 | 717,011 | 711,251 | 320,057 | 1985 | 145,706 | 481.79 |
| 602,912 | 579,333 | 568,642 | 568,074 | 540,405 | Various | 313,461 | 96.21 |
| 585,797 | 570,842 | 551,859 | 547,425 | 509,897 | 1973, 2001 | 105,767 | 520.58 |
| 1,005,748 | 966,415 | 948,582 | 647,634 | 901,478 | Various | 724,950 | 42.16 |
| 585,797 | 570,842 | 551,859 | 547,425 | 509,897 | 1973, 2001 | 103,842 | 532.08 |
| 1,005,748 | 966,415 | 948,582 | 947,634 | 901,478 | Various | 724,950 | 42.16 |
| 1,561,482 | 1,521,616 | 1,471,013 | 1,459,194 | 1,113,837 | 1992, 1993, 1997 | 1,827,056 | (4.54) |
| 664,775 | 652,443 | 628,800 | 623,007 | 592,325 | 2001 | 436,529 | 92.89 |
| 1,162,203 | 1,116,845 | 1,096,280 | 1,091,302 | 1,028,298 | Various | 806,377 | 55.32 |
| 390,313 | 380,349 | 367,700 | 364,746 | 339,740 | 1973 | 68,666 | 533.66 |
| 150,192 | 144,318 | 141,655 | 141,513 | 134,620 | Various | 32,682 | 674.91 |
| 33,821,184 | 33,108,673 | 31,922,836 | 31,566,895 | 28,906,781 | | 19,432,203 | 95.61 |
| 9,519,437 | 8,628,301 | 8,337,824 | 7,968,975 | 7,753,394 | | 5,701,411 | 60.22 |

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

| Vehicle/Program | Current Replacement Costs | 2016 | 2015 | 2014 | 2013 |
|--|---------------------------------|----------|----------|----------|------|
| Police | | | | | |
| Cost Per Patrol Car | \$35,987 | \$39,527 | \$29,929 | \$29,149 | \$0 |
| Fire | | | | | |
| Cost Per Fire Pumper (1) | 0 | 0 | 0 | 0 | 0 |
| Cost Per Ambulance | 0 | 0 | 0 | 0 | 0 |
| Recreation | | | | | |
| Senior Transport Bus/Van | 0 | 59,057 | 0 | 0 | 0 |
| Service | | | | | |
| Mini-Excavator | 0 | 43,628 | 0 | 0 | 0 |
| Cost Per Vac All (2) | 0 | 0 | 0 | 0 | 0 |
| Cost Per Street Sweeper | 0 | 0 | 0 | 0 | 0 |
| Cost Per Salt Truck | 0 | 125,693 | 0 | 0 | 0 |
| Cost Per Water Utility Truck | 0 | 0 | 0 | 0 | 0 |
| Loader | 0 | 0 | 0 | 0 | 0 |
| 2500 HD Chevy 4X4 Pick up | 29,142 | 26,443 | 0 | 0 | 0 |
| John Deer Gator | 0 | 9,425 | 0 | 0 | 0 |
| Dump Truck | 63,583 | 0 | 0 | 0 | 0 |
| Road Construction | | | | | |
| Ohio Department of Transportation Construction Cost Composite Index (3) | 106.5 | 107.3 | 108.7 | 105 | 101 |

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.

| 2012 | 2011 | 2010 | 2009 | 2008 |
|-------|----------|----------|----------|----------|
| \$0 | \$25,472 | \$22,509 | \$26,613 | \$22,463 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 210,878 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 105,622 |
| 0 | 0 | 0 | 41,021 | 0 |
| 0 | 125,017 | 0 | 0 | 0 |
| 0 | 23,875 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 100,527 | 0 | 0 | 0 |
| 104.3 | 97.4 | 90.6 | 88.1 | 151.9 |

City of Bedford, Ohio
Water Utility Statistics
Last Ten Years

| | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|
| Gallons of Water Purchased from Cleveland | 63,751.30 | 66,547.47 | 66,345.60 | 83,279.73 |
| Gallons of Water Sold (Billed) to Users | 47,978.11 | 46,694.88 | 45,896.38 | 52,833.56 |
| Percent of Water Billed | 75.26% | 70.17% | 69.18% | 63.44% |
| Water Billings | \$3,884,238 | \$3,711,908 | \$4,076,032 | \$4,308,043 |
| Water Collections | \$4,364,065 | \$4,104,048 | \$4,195,268 | \$4,366,295 |
| Percentage Collected from Billings | 112.35% | 110.56% | 102.93% | 101.35% |
| Payments to City of Cleveland | \$2,130,031 | \$2,222,992 | \$2,211,920 | \$2,699,458 |
| Percentage of payments to the City of Cleveland compared to total water collections | 48.81% | 54.17% | 52.72% | 61.82% |
| Collections over Cost of Water | 51.19% | 45.83% | 47.28% | 38.18% |

Source: City of Bedford Water Department

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 84,388.60 | 79,091.76 | 98,281.42 | 110,165.44 | 96,955.60 | 95,405.00 |
| 64,987.49 | 64,457.77 | 61,514.58 | 64,072.93 | 62,823.09 | 65,901.00 |
| 77.01% | 81.50% | 62.59% | 58.16% | 64.80% | 69.07% |
| \$4,763,874 | \$4,615,802 | \$3,949,865 | \$4,288,675 | \$3,896,479 | \$3,632,402 |
| \$4,828,534 | \$4,643,270 | \$4,381,620 | \$4,341,474 | \$3,954,828 | \$3,532,663 |
| 101.36% | 100.60% | 110.93% | 101.23% | 101.50% | 97.25% |
| \$2,665,054 | \$2,497,967 | \$2,810,055 | \$3,447,605 | \$2,868,742 | \$2,637,600 |
| 55.19% | 53.80% | 64.13% | 79.41% | 72.54% | 74.66% |
| 44.81% | 46.20% | 35.87% | 20.59% | 27.46% | 25.34% |

**CITY OF BEDFORD
CUYAHOGA COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

**CITY OF BEDFORD
CUYAHOGA COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Cuyahoga County, Ohio as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Bedford's basic financial statements and have issued our report thereon dated June 6, 2018.

Internal Control Over Financial Reporting

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

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

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

Members of Council and Mayor
City of Bedford

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.
June 6, 2018

**CITY OF BEDFORD
CUYAHOGA COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017**

| Finding Number | Initial Year Occurred | Finding Summary | Status | Additional Information |
|-----------------------|------------------------------|---|---------------|-------------------------------|
| 2016-001 | 2016 | <u>Material Weakness - Utility Department Controls</u> - The City discovered irregularities between deposits of utility department receipts that indicated cash received by the City was not being deposited to the bank. | Corrected | N/A |

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Dave Yost • Auditor of State

CITY OF BEDFORD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 20, 2018