



Dave Yost • Auditor of State



CITY OF BEDFORD HEIGHTS  
CUYAHOGA COUNTY

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# Dave Yost • Auditor of State

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

City of Bedford Heights  
Cuyahoga County  
5661 Perkins Road  
Bedford Heights, Ohio 44146

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 27, 2011.

We intend this report solely for the information and use of management, the audit committee, City Council, and others within the City. We intend it for no one other than these specified parties.

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

**Dave Yost**  
Auditor of State

June 27, 2011

CITY OF BEDFORD HEIGHTS  
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Restatement of Net Assets at 12/31/08 due to error in infrastructure assets	Yes	

# **City of Bedford Heights, Ohio**

## **Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2010**

**Issued by: Finance Department  
Allison J. Chance, Director of Finance**

**INTRODUCTORY  
SECTION**

# City of Bedford Heights, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2010

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# City of Bedford Heights, Ohio

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# City of Bedford Heights, Ohio

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# The City of Bedford Heights



5661 PERKINS ROAD

BEDFORD HEIGHTS, OHIO 44146-2597

PHONE (440) 786-3223

FAX (440) 735-7507

MAYOR FLETCHER BERGER

ALLISON J. CHANCE  
Director of Finance  
Tax Administrator

June 27, 2011

Honorable Mayor, Citizens of Bedford Heights  
and Members of City Council  
Bedford Heights, Ohio

## **Transmittal of the Comprehensive Annual Financial Report**

The City of Bedford Heights, Ohio (City) is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2010. The CAFR is a more extensive report than the basic financial statements and it is believed that it demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. While no single report can be all things to all people, the goal in presenting this report is to provide any person or entity interested in the City with information needed to gain a fair understanding of the City's financial position, results of operations and cash flows.

The State of Ohio requires that all cities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. The City issues this Comprehensive Annual Financial Report for the year ended December 31, 2010 therefore.

Management assumes responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been 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.

The financial statements of the City have been audited by the Auditor of State of Ohio, Dave Yost, an independent auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2010 are fairly presented in conformity with GAAP. The independent accountants' report is presented as the first component of the Financial Section of the CAFR.

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

## **Profile of the City**

The City of Bedford Heights, Ohio is located in the eastern portion of Cuyahoga County, approximately 14 miles southeast of downtown Cleveland. According to the most recent data from the United States Census Bureau, the City's 2010 population was 10,751.

Bedford Heights is a home rule municipal corporation operating under the laws of the State of Ohio. Bedford Heights was incorporated as a Village in 1951, and became a City in 1960. The City Charter was adopted and became effective on January 1, 1960, and can be amended only by a majority vote. In matters where the charter is silent or in conflict with the state constitution, the laws of the State of Ohio prevail.

Bedford Heights operates under and is governed by the laws of the State of Ohio and the City Charter, which provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council consists of three council members elected at large and four council members elected from wards. Council members are elected for a four-year term. Each member of Council has a right to vote. The Council fixes compensation of the City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and indebtedness, licensing of regulated businesses and trades, and other municipal purposes.

The Mayor, designated by the charter as the chief executive and administrative officer of the City, is elected to serve a four-year term. The Mayor has the power to appoint, promote, discipline, transfer, reduce or remove any employee of the City. The Mayor may veto any legislation passed by Council. A veto may be overridden by a vote of five or more members of council.

## **Economic Conditions**

### ***Local Economy***

The City of Bedford Heights is a mature suburban community located approximately fourteen miles southeast of the City of Cleveland. The City is a second ring suburban community that experienced a build-out between the 1970 and 1990 period. This boom period was driven mainly as a result of the community's excellent location along the I-271, I-490, and U.S. 422 corridors. Bedford Heights has immediate freeway access to all of these interstates and the commercial and industrial development that happened during the twenty year period has left the City with one of the largest industrial/commercial property valuations in the suburban Cuyahoga County.

As a result of the twenty-year development, several important industrial clusters have developed within the City's industrial area along Miles, Richmond, Fargo and Aurora Roads. These clusters include automobile parts manufacturing (including die casting), machine parts and fasteners, steel fabricating/distribution, paint manufacturing, commercial and residential construction supplies/services, food manufacturing, and wholesale food distribution operations.

In 2010, the City's economic development department received over \$108,000 in grant funding from three public agencies:

- The Cuyahoga County Department of Development awarded a \$30,000 grant to complete a comprehensive update to the 1998 master plan.

- The Cuyahoga County Planning Commission awarded a \$45,000 grant enabling the city to conduct a comprehensive energy audit. Upon completion of the audit, we will seek additional funding to incorporate the suggested energy efficiencies in our daily operations.
- Using the Cuyahoga County Storefront Renovation Program, the development department assisted five property owners and businesses in obtaining \$33,880 in grants. The grants leveraged \$80,658 worth of improvements to properties located on commercial corridors. The improvements included new windows, painting, awnings, lighting, landscaping and signage.

In addition to the grants above, the Northeast Ohio Public Energy Commission (NOPEC) awarded the city \$160,000, of which the development department offered matching grants to Bedford Heights' businesses to conduct energy audits on their properties and processes. Our justification for offering audit grants was to affordably identify operational and capital inefficiencies, reduce energy costs and increase company net profits.

The unsettling economic conditions in northeast Ohio provided a great challenge to the development department. Yet, the department had some real successes in the retention and expansion of three of our mid-sized employers:

- Babin Building Solutions, present in the community for 40+ years, signed a 10 year lease for a building farther down on Richmond Road. This work resulted in the retention of 40 jobs in our community with an approximate \$1,600,000 annual payroll that equates to \$30,000 in taxes.
- Wonder Gro, a commercial landscaper, and American Bouncers, an inflatable distributor and children entertainment company, are owned and operated by the same owner. The owner purchased the former Seaway Lumber Building on Cannon Road and invested over \$500,000 to renovate the property. The project put an underutilized building back in productivity and retained nine full-time employees, 15 part-time employees and a payroll of \$500,000 (approximately \$10,000 in taxes) in the community.
- APU, LLC of New York is the new owner of the former Kronheim's office building and warehouse on Aurora Road and invested over \$1,000,000 in the property to attract a long-term market rate tenant. The downside is that Decker Forklift originally leased warehouse space from APU and needed new space. The development department worked with the owner of Decker Forklift to bring their headquarters to Bedford Heights and consolidate it with their warehouse. The consolidated operation moved to a new location on Richmond Road and took over the space left vacant by Babin Building Solutions during 2010. This project resulted in the retention of 5 jobs and an additional 40 jobs for an increased payroll of approximately \$1,750,000 (approximately \$35,000 in taxes)
- The development department worked with several state and county offices to attract Spartan Warehousing to the former Sysco Property located on Aurora Road. Spartan won the state liquor control's distribution contract. This project resulted in over 30 new full-time jobs in our community, with an initial payroll \$800,000 (approximately \$16,000 in taxes).

In addition to the achievements above, the city welcomed another 26 new businesses to the community. The types of businesses range from retail to personal services such as a dental care office to a medical manufacturing.

## ***Long-Term Financial Planning***

The City's leaders are in the process of updating the City's Master Plan with a primary focus on the economic viability of community services. One of the historic gems of the city of Bedford Heights has been the services it provides to its constituency, whether that is a resident or business partner. Going forward, it is the desire of the leadership to explore all areas of economic development, traditional or new age, that will generate revenue or reduce expenses that will support the same level of service it has been able to provide in the past. The City's safety forces have been top responders in emergency calls. Providing security to people and to business owners is vital to a community that wants to retain and attract business. The precious aged and youth have enjoyed the benefits of a community life department to meet their social and recreation needs. Adult housing recently entered the community, which give its residents a way to stay in the community and live out their years. At its completion the master plan will be the road map that will give the current and future leaders of this community the tools to accomplish this goal.

### ***Major Initiatives***

*Current year* – The city was successful in passing a 8.9 mill Safety Force Levy that will generate approximately \$2.1 million in fiscal year 2011. The proceeds from the levy allowed the city to maintain the current level of police and fire protection services that play a significant role in the economic stabilization of the community.

The City continues to implement revenue-generating fees to offset increased operating costs. In 1994, the City implemented a fee for ambulance services. This fee is projected to generate approximately \$240,000 annually and is designated for use within a Special Revenue Fund, specifically for capital improvements (equipment) in the Police and Fire Departments.

In January of 2009, the City implemented a rate structure that will increase residential and commercial sewer rates by \$3/MCF over three years. The new rate structure is expected to generate the following estimated increases over three years: 2009 – \$198,000; 2010 – \$210,000 over 2009; 2011 – \$242,000 over 2010. Additionally, the City has agreements with neighboring communities to promote the utilization of the City sewage treatment facility for new developments and growth areas that are contiguous with the City. This plan would, of course, provide a larger customer base for the City's sewerage treatment facility. Finally, the City has become active in the treatment of nonhazardous ground water on a contract basis.

During 2010, the Ohio Department of Transportation began a long awaited complete replacement of State Route 43 which is a major corridor in the city. The project, which will cost approximately \$6,000,000 and includes a waterline replacement by the city of Cleveland water department, increased the aesthetic value as well as the value to the businesses and residential homes as the line is a major ingress and egress to the city. In addition, the department also began construction on \$1.2 million pavement replacement project on Rockside Road, also a major corridor in and out of the city.

*Future years* – The City plans on spending over \$600,000 in 2011 on road resurfacing and construction projects that are planned for various streets throughout the City. In November 2004, the City passed a renewal 2-mill, 10-year Street Improvement Levy. This levy will generate approximately \$600,000. The proceeds of the levy are dedicated to street improvements. This renewal funding will allow the City to aggressively maintain the quality of street improvements for the next eight years.

## **Awards and Acknowledgements**

### ***Certificate of Achievement***

For the twenty-first time, the Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ***Acknowledgements***

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 which contributed significantly to the preparation of this report. We offer our sincere appreciation to the Auditor of State of Ohio, Dave Yost, who worked diligently in completing the audit. Finally, the City Administration wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

Respectfully submitted,



Allison J. Chance  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford Heights  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



President

Executive Director

# City of Bedford Heights, Ohio

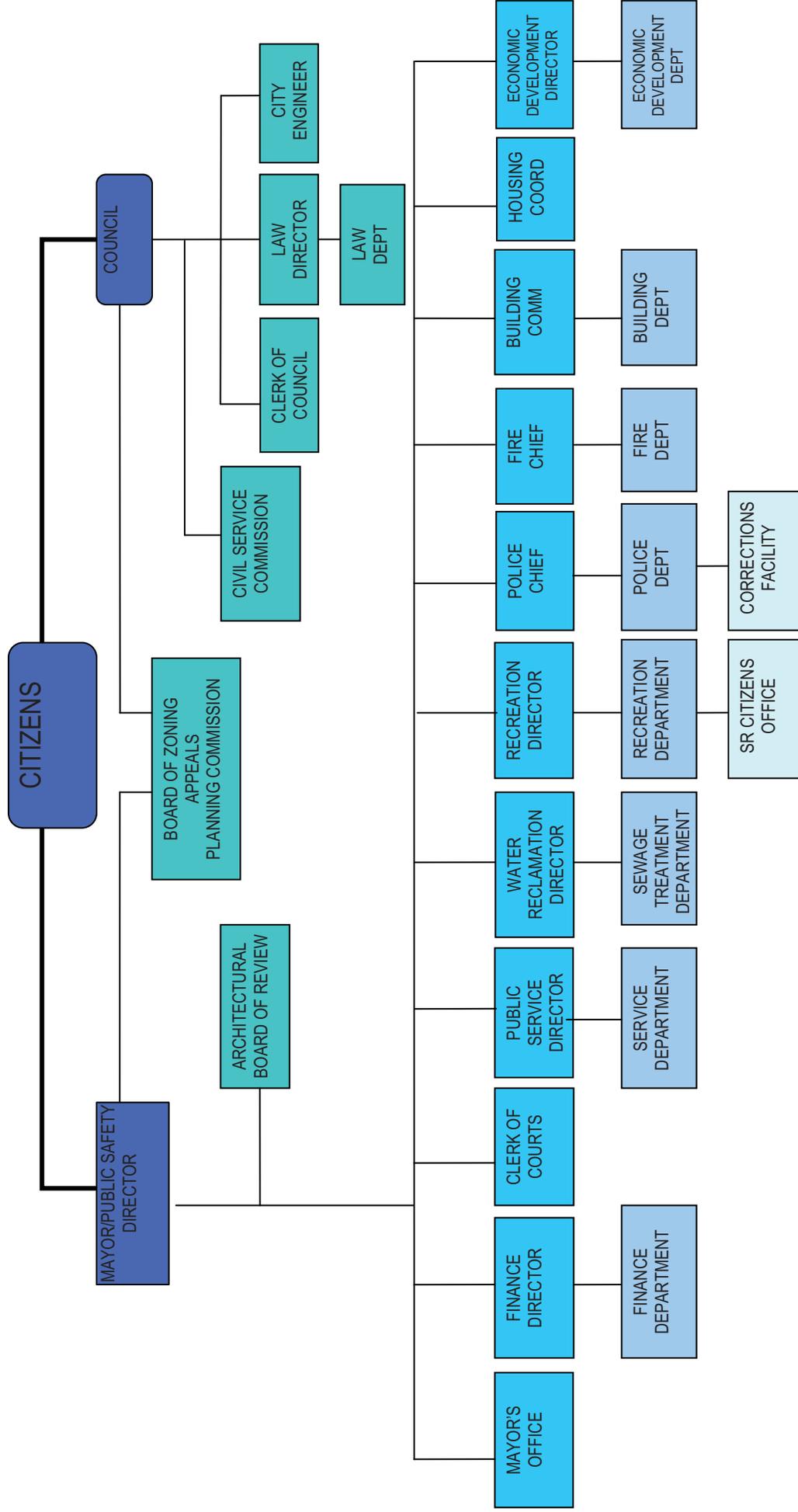
## List of Principal Officials

**December 31, 2010**

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<u>Title</u>	<u>Name</u>
Mayor/Director of Public Safety	Fletcher Berger
Council Member – President-At-Large	Phillip D. Saunders
Council Member – At-Large	Wendolyn J. Grant
Council Member – At-Large	Michael Moore
Council Member – Ward 1	Barbara MacKenzie
Council Member – Ward 2	Harvey Brown
Council Member – Ward 3	Alton Tinker
Council Member – Ward 4	Karen Gilliam
Clerk of Council	Patricia Stahl
Director of Law	Ross Cirincione
Director of Finance/Tax Administrator	Allison Chance
Director of Public Service	Nick Baucro
Director of Water Reclamation	Dave Pocaro
Police Chief	Mark Kwiatkowski
Corrections Administrator	Cmdr. William Schultz
Fire Chief	Ken Ledford
Director of Community Life	Ruth Gray
City Engineer	Don Bierut
City Architect	Robert Madison
Building Commissioner	Paul Konys
Director of Economic Development and Community	Martine Divito
Clerk of Courts	Kathy Legett

# City of Bedford Heights Organizational Chart December 31, 2010



**FINANCIAL  
SECTION**



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

City of Bedford Heights  
Cuyahoga County  
5661 Perkins Road  
Bedford Heights, Ohio 44146

To the City Council:

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 Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford Heights, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the Fire Levy funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City'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 provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical 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.



**Dave Yost**  
Auditor of State

June 27, 2011

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2010*

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The discussion and analysis of the City of Bedford Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- ◆ The assets of, the City of Bedford Heights exceeded its liabilities at the close of the most recent fiscal year by \$26,284,293. Of this amount, \$5,087,075 may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ Total assets decreased by \$655,236, which represents a decrease of approximately 1.6 percent from 2009. The two largest decreases were cash and cash equivalents of \$2,094,232 and capital assets of \$962,886. These changes were offset by an increase in taxes receivable of \$1,999,492.
- ◆ Total liabilities increased by \$1,133,119, which represents an increase of approximately 9.2 percent over 2009. The main factors contributing to this change was an increase of \$1,981,475 in deferred revenue offset by a \$1,034,980 decrease in long term liabilities.
- ◆ In total, net assets in governmental activities decreased by \$1,959,044 during 2010. This represents a 9.9 percent decrease from 2009.

**Using this Annual Financial Report**

The discussion and analysis is intended to serve as an introduction to the City of Bedford Heights' basic financial statements. The City of Bedford Heights' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

***Government-wide financial statements – Reporting the City of Bedford Heights as a Whole***

*Statement of Net Assets and the Statement of Activities*

The Statement of Net Assets presents information on all the City of Bedford Heights' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Bedford Heights is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2010*

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In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities: most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income tax, state and county taxes, licenses, permits and charges for services finance most of these activities.
- Business-type activities: the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sewer system is reported here.

***Fund Financial Statements - Reporting the City of Bedford Heights' Most Significant Funds***

*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 objects. The City of Bedford Heights, 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 Heights can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Bedford Heights maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, fire levy special revenue fund, and the capital improvements capital projects fund, all of which are considered to be major funds.

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2010*

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*Proprietary Funds*

The City of Bedford Heights maintains three proprietary funds; one enterprise fund and two internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these activities benefit governmental rather than business functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found starting on page 27 of this report.

*Notes to the Financial Statements*

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 31 of this report.

**Government-wide Financial Analysis - City of Bedford Heights as a Whole**

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

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

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
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Table 1 provides a summary of the City's net assets for 2010 as compared to 2009.

Table 1  
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Assets</b>						
Current and Other Assets	\$ 11,784,481	\$ 11,706,983	\$ 2,324,155	\$ 2,094,003	\$ 14,108,636	\$ 13,800,986
Capital Assets, Net	<u>18,041,508</u>	<u>18,901,808</u>	<u>7,522,344</u>	<u>7,624,930</u>	<u>25,563,852</u>	<u>26,526,738</u>
<b>Total Assets</b>	<u>29,825,989</u>	<u>30,608,791</u>	<u>9,846,499</u>	<u>9,718,933</u>	<u>39,672,488</u>	<u>40,327,724</u>
<b>Liabilities</b>						
Current Liabilities and Other Liabilities	5,706,839	3,689,493	266,320	115,567	5,973,159	3,805,060
Long-term Liabilities						
Due Within One Year	1,791,698	1,657,000	205,968	195,715	1,997,666	1,852,715
Due In More Than One Year	<u>4,525,908</u>	<u>5,501,710</u>	<u>891,462</u>	<u>1,095,591</u>	<u>5,417,370</u>	<u>6,597,301</u>
<b>Total Liabilities</b>	<u>12,024,445</u>	<u>10,848,203</u>	<u>1,363,750</u>	<u>1,406,873</u>	<u>13,388,195</u>	<u>12,255,076</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	13,953,257	14,037,308	6,696,894	6,991,041	20,650,151	21,028,349
Restricted for:						
Capital Projects	392,780	467,652	-	-	392,780	467,652
Debt Service	37,919	140,922	-	-	37,919	140,922
Public Safety	116,368	127,308	-	-	116,368	127,308
Unrestricted	<u>3,301,220</u>	<u>4,987,398</u>	<u>1,785,855</u>	<u>1,321,019</u>	<u>5,087,075</u>	<u>6,308,417</u>
<b>Total Net Assets</b>	<u>\$ 17,801,544</u>	<u>\$ 19,760,588</u>	<u>\$ 8,482,749</u>	<u>\$ 8,312,060</u>	<u>\$ 26,284,293</u>	<u>\$ 28,072,648</u>

Total assets decreased \$655,236. Although taxes receivable increased by \$1,999,492, decreases in cash and cash equivalents of \$2,094,232 and in capital assets of \$962,886 offset this increase. The decrease in cash and cash equivalents is mainly due to the payment of long-term debt as well as the decrease in grant revenue. The decrease in capital assets is due to depreciation expense exceeding capital asset additions.

The total net assets of the City decreased \$1,788,355. The following factors were responsible for this decrease:

- A decrease in cash and cash equivalents of \$2,094,232
- An increase in taxes receivable of \$1,999,492
- A decrease in capital assets of \$962,886
- An increase in deferred revenue of \$1,981,475
- A decrease in long-term liabilities of \$1,034,980

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended December 31, 2010*

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The City makes concerted efforts to maximize the return on investments of its cash and cash equivalents and uses these funds to provide liquidity for planned future capital purchases. Due to the interest rates in the past, the investments have remained in liquid money market accounts, i.e. STAR Ohio, Charter One Bank, and Huntington National Bank. However, even though the State Code allows for investments with maturities of five years or less, the City has not invested in any instrument with a maturity of more than one year.

Another tool used by the City to reduce its long-term liability is to pay off accumulated sick leave for police and fire employees. Upon the request of a police or fire employee with over ten years of service, accumulated sick time may be paid out on an annual basis. This allows the City to pay accumulated sick hours at the current hourly rate as opposed to paying for it at a higher rate in the future at the time of retirement. The employees benefit by having funds available to them currently with the opportunity to invest them and potentially gain a higher rate of return as opposed to receiving payment at a future date.

The City of Bedford Heights is also a member of N.O.R.M.A. Self Insurance Pool, Inc. for liability insurance and workers compensation. Significant savings in premiums have resulted from being a member of the above referenced insurance pool. In addition the City conducts random drug testing of employees with CDL licenses which aids in reducing workers compensation premiums.

The net assets of the business-type activities increased by approximately 2.1 percent in 2010. The City generally can only use these net assets to finance the continuing operations of the sewer system. The increase was mainly due to contributed capital.

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

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
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Table 2  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Services	\$ 4,133,141	\$ 4,872,096	\$ 2,790,193	\$ 3,015,533	\$ 6,923,334	\$ 7,887,629
Operating Grants	54,932	156,500	-	-	54,932	156,500
Capital Grants	<u>203,979</u>	<u>784,585</u>	<u>-</u>	<u>-</u>	<u>203,979</u>	<u>784,585</u>
Total Program Revenues	<u>4,392,052</u>	<u>5,813,181</u>	<u>2,790,193</u>	<u>3,015,533</u>	<u>7,182,245</u>	<u>8,828,714</u>
General Revenues						
Property Taxes	3,266,574	3,393,741	-	-	3,266,574	3,393,741
Income Taxes	7,353,761	7,961,003	-	-	7,353,761	7,961,003
Grants and Entitlements	2,131,659	2,051,473	-	-	2,131,659	2,051,473
Investment Earnings	2,861	34,633	259	609	3,120	35,242
Miscellaneous	<u>65,428</u>	<u>66,601</u>	<u>12,529</u>	<u>13,398</u>	<u>77,957</u>	<u>79,999</u>
Total Revenues	<u>17,212,335</u>	<u>19,320,632</u>	<u>2,802,981</u>	<u>3,029,540</u>	<u>20,015,316</u>	<u>22,350,172</u>
Program Expenses						
General Government	3,636,040	3,617,618	-	-	3,636,040	3,617,618
Security of						
Persons and Property	10,575,672	10,784,582	-	-	10,575,672	10,784,582
Public Health and Welfare	359,539	392,705	-	-	359,539	392,705
Leisure Time Activities	1,442,077	1,651,924	-	-	1,442,077	1,651,924
Community Development	364,564	379,029	-	-	364,564	379,029
Basic Utility Services	673,000	758,278	-	-	673,000	758,278
Transportation	1,817,751	1,751,712	-	-	1,817,751	1,751,712
Interest and Fiscal Charges	181,736	213,186	-	-	181,736	213,186
Sewer	<u>-</u>	<u>-</u>	<u>2,753,292</u>	<u>2,694,717</u>	<u>2,753,292</u>	<u>2,694,717</u>
Total Program Expenses	<u>19,050,379</u>	<u>19,549,034</u>	<u>2,753,292</u>	<u>2,694,717</u>	<u>21,803,671</u>	<u>22,243,751</u>
Increase (Decrease)						
in Net Assets before Transfers	(1,838,044)	(228,402)	49,689	334,823	(1,788,355)	106,421
Transfers	<u>(121,000)</u>	<u>(323,816)</u>	<u>121,000</u>	<u>323,816</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(1,959,044)	(552,218)	170,689	658,639	(1,788,355)	106,421
Net Assets, Beginning of Year	<u>19,760,588</u>	<u>20,312,806</u>	<u>8,312,060</u>	<u>7,653,421</u>	<u>28,072,648</u>	<u>27,966,227</u>
Net Assets, End of Year	\$ <u>17,801,544</u>	\$ <u>19,760,588</u>	\$ <u>8,482,749</u>	\$ <u>8,312,060</u>	\$ <u>26,284,293</u>	\$ <u>28,072,648</u>

*Governmental Activities*

Several revenue sources fund our governmental activities with the City's property and income tax being the largest contributors. The City's income tax revenue source is the largest contributor with a rate of two percent on gross income which has not changed since 1982. Residents of the City who work in another community and pay the withholding tax for that community receive a 100 percent tax credit on their City tax for 100 percent, the credit limit being two percent. During 2010, the revenues generated from this tax amounted to \$7,353,761. The City continues to enforce a delinquent letter program and the subpoena program to ensure compliance with the local tax laws.

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
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Security of Persons and Property and General Government are the major activities of the City generating 75 percent of the governmental expenses. The fire department is comprised of 29 members. There is one fire chief, one assistant fire chief, three captains, three lieutenants, and 21 firefighters. Most members of the department are certified paramedics and the department's roster will never have less than 18. This allows for the response of two ambulances that can provide advance life saving skills. Three members of the department are on the regional hazardous material response team and one is a HCO (Hazardous Command Officer). The staffing of the department is done in three shifts that rotate 24 hour tours. During this time they conduct daily training that consists of building walkthroughs, attending continuing education classes, performing joint exercises with neighboring departments and watching training videos. After large or difficult emergencies the shifts do a post incident critique to improve services. Additionally, the department sends out random surveys (10%) to those who have received fire department services and, based on the responses, the department has maintained an approval rating in the high 90 percentile. In fiscal year 2010, the department responded to 1,812 calls with 83 percent relating to emergency medical services.

The department is very proactive in public education efforts. Fire extinguisher training and CPR/first aid training is provided to the business community regularly. Additionally, the department teaches at schools, safety town and has assisted residences with installing working smoke detectors in their homes. Lastly, the department has created, produced and launched a successful television show called "Fire Watch" which is aired on the local cable network station monthly.

The department aggressively pursues available funding through state and federal grants. The fire department has been successful in obtaining \$171,000 in grant funding over the last five years. In 2010, the department was awarded \$96,000 through a Federal Emergency Management Agency Grant for new equipment. If not funded through this grant, the self-contained breathing apparatus equipment for each firefighter, which is needed for life safety, would have had to be funded through the City's general fund. The Department of Homeland Security has reimbursed the department over \$10,000 for advanced training that, otherwise, would not have been funded. During 2010, the amount the department spent on overtime expenses was \$98,554 as compared to \$82,718 during 2009. The total cost of operating the Fire and EMS department during 2010 was \$3,000,395, which is in the Fire Levy Fund. The City annually transfers into the Fire Levy Fund the difference between the revenue generated from the 3 mill fire levy and the operating expenses incurred. In 2010, the transfer from the General Fund was \$1,545,000.

The City spent approximately \$645,000 on its annual road program entailing major and minor resurfacing of the various streets in Bedford Heights. The annual road program is funded from the 2-mill Street Construction Levy.

*Business-Type Activities*

The Business-Type activities of the City, which include the City's sewer operations, increased the City's net assets by \$170,689.

Net program revenue exceeded program expenses in the amount of \$36,901 for the sewer operations for 2010. This is mainly due to the City's efforts to keep sewer operating costs low.

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
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## **The City's Funds**

### *Governmental Funds*

Information about the City's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$19,944,714 and expenditures and other financing uses of \$22,038,142. The net change in fund balance for the year was most significant in the General Fund showing a decrease in fund balance of \$1,624,159 which resulted in a year-end fund balance of \$3,445,901. The decrease in fund balance was mainly due to a decrease in municipal income tax revenue of \$599,849 and a decrease in charges for services revenue of \$863,610. The municipal income tax revenue decrease was due to lower net profit taxes and charges for service revenue decreased because prisoner housing charges decreased.

The Capital Improvements Fund also had a decrease in fund balance. The Capital Improvements Fund reflected a decrease in fund balance of \$74,872, which caused the fund balance to drop to \$392,780. The decrease can be attributed to a decrease in grant revenue in 2010 compared to 2009.

The Fire Levy Fund increased \$10,332 while the Issue 23 Safety Levy Fund and the total non-major governmental funds decreased \$10,209 and \$394,520, respectively. The main source for the increase in the Fire Levy Fund was the addition of the EMS billing revenue of \$270,185 that had been recorded in a non-major governmental fund in the past. The decrease in fund balance in the non-major governmental funds was caused by a decrease in charges for services revenue of \$250,592.

Overall the revenue base continued to meet City obligations. To combat the uncertain economic times, the City has taken cost-cutting measures to ensure its viability for many years to come. Revenue forecasting will become more difficult as estimates are more imprecise now than they have been in the recent past. The City's expectation is that it will lose property taxes due to the decrease in home values and income taxes due to the decrease in workforce.

### *General Fund Budgeting Highlights*

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a discussion at a regularly held council meeting, which is open to the public; the budget is adopted by City Council. Council must approve legislation for any revisions in the budget that alter totals or the total appropriations for any department or fund. The finance department watches all the departmental budgets closely to monitor compliance with allocated budgets and provides monthly reports to City Council depicting monthly and year-to-date activity.

For the General Fund, final budget-basis revenue and other financing sources of \$13,048,276 was higher than the original budget estimates of \$12,738,057. The original appropriations for the general fund were \$14,460,931, including other financing uses. The final appropriations, including other financing uses, were \$15,113,682. The City historically budgets to expend nearly 100 percent of their available resources, when actually 113 percent of available resources were expended in 2010. The City's actual expenditures ended \$238,695 below the final budgeted amount.

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The City's ending unobligated budgetary fund balance was \$415,846 higher than the final budgeted amount mostly due to lower than anticipated general government and security of persons and property expenditures.

*Business-Type Funds*

The City's major Enterprise fund consists of the Sewage Treatment Fund. The basic financial statements for the major fund are included in this report.

Proprietary Funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the Sewage Treatment Fund. The basic proprietary fund financial statements can be found on page 27 through 29 of this report.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2010, the City of Bedford Heights had \$25,563,852 invested in land, buildings, equipment, vehicles and infrastructure.

Table 3 shows fiscal 2010 balances of Capital Assets as compared to 2009:

Table 3  
 Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,786,987	\$ 1,786,987	\$ 99,200	\$ 99,200	\$ 1,886,187	\$ 1,886,187
Buildings and improvements	18,736,346	18,626,445	3,922,813	3,922,813	22,659,159	22,549,258
Furniture, fixtures and equipment	2,603,569	2,475,096	7,561,276	7,410,982	10,164,845	9,886,078
Vehicles	3,292,157	3,292,157	387,181	387,181	3,679,338	3,679,338
Infrastructure	14,193,300	14,192,999	6,453,009	6,332,009	20,646,309	20,525,008
Construction in progress	276,984	109,719	22,781	-	299,765	109,719
Less: accumulated depreciation	<u>(22,847,835)</u>	<u>(21,581,595)</u>	<u>(10,923,916)</u>	<u>(10,527,255)</u>	<u>(33,771,751)</u>	<u>(32,108,850)</u>
Total Capital Assets	\$ <u>18,041,508</u>	\$ <u>18,901,808</u>	\$ <u>7,522,344</u>	\$ <u>7,624,930</u>	\$ <u>25,563,852</u>	<u>26,526,738</u>

The City has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Vehicles such as fire trucks and ambulances are planned for well in advance by the respective department heads and a scheduled maintenance and replacement timetable is followed to provide peak performance for the maximum time frame (5 to 6 years). The City's practice is to replace three-to-four police vehicles each year to replenish the safety fleet. The older vehicles are either traded in to the dealers or sold to the highest bidder at auction.

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With regards to the infrastructure, the City's engineering, public works and water reclamation departments maintain a comprehensive listing of all the streets and sewer lines in the City. As part of the City's annual road maintenance program, the Engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or cracksealed and in the case of concrete roads, either replaced or repaired. After approval from council, the projects are bid in early to late spring to get the best possible pricing from contractors. This program is paid for out of the street construction levy fund and capital improvements fund of the City. Capital assets for business-type activities decreased \$102,586, due to the depreciation expense and the City's conscious effort to decrease expenditures to combat decreasing revenues.

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, sanitary and storm improvements and maintaining our current structures. See Note 7 for more information on capital assets.

*Debt*

At December 31, 2010, the City of Bedford Heights had \$7,415,036 in outstanding debt, compensated absences, and claims payable, of which \$4,235,000 was in general obligation bonds. Table 4 summarizes the outstanding obligations of the City.

Table 4  
 Outstanding Debt at Year End

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 3,409,550	\$ 4,056,500	\$ 825,450	\$ 913,500	\$ 4,235,000	\$ 4,970,000
Capital leases payable	436,193	559,274	-	-	436,193	559,274
OPWC loans payable	242,508	248,726	-	-	242,508	248,726
Compensated absences	1,568,714	1,851,456	271,980	377,806	1,840,694	2,229,262
Claims payable	660,641	442,754	-	-	660,641	442,754
<i>Total</i>	<u>\$ 6,317,606</u>	<u>\$ 7,158,710</u>	<u>\$ 1,097,430</u>	<u>\$ 1,291,306</u>	<u>\$ 7,415,036</u>	<u>\$ 8,450,016</u>

At December 31, 2010, the City's overall legal debt margin was \$21,344,832. At year-end, the outstanding general obligation debt was \$4,235,000. Other obligations include capital leases, accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 8 of the basic financial statements.

**City of Bedford Heights**  
*Management's Discussion and Analysis (Unaudited)*  
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**Current Related Financial Activities**

In November 2010, the citizens of Bedford Heights approved a Charter Amendment to establish a levy of 8.9 mills to be used to pay the costs and expenses of operating the City's police, fire and emergency medical services, commencing in 2010 and first collections beginning in 2011. In addition, the City of Bedford Heights' systems of budgeting and internal controls are well regarded and the City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Bedford Heights with full disclosure of the financial position of the City.

**Contacting the City of Bedford Heights' Finance Department**

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional financial information, contact Director of Finance, Allison Chance, City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio 44146, telephone (440) 786-3200.

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# City of Bedford Heights, Ohio

## Statement of Net Assets

**December 31, 2010**

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,230,874	\$ 702,894	\$ 3,933,768
Accounts receivable	663,158	1,530,032	2,193,190
Intergovernmental receivable	1,064,712	-	1,064,712
Supplies and materials inventory	115,253	61,596	176,849
Prepaid assets	50,456	29,633	80,089
Taxes receivable	6,660,028	-	6,660,028
Non-depreciable capital assets	2,063,971	121,981	2,185,952
Depreciable assets, net	<u>15,977,537</u>	<u>7,400,363</u>	<u>23,377,900</u>
<b>Total assets</b>	<u>29,825,989</u>	<u>9,846,499</u>	<u>39,672,488</u>
<b>Liabilities:</b>			
Accounts payable	330,982	195,692	526,674
Accrued wages and benefits	574,143	47,124	621,267
Intergovernmental payable	160,837	21,267	182,104
Unearned revenue	4,551,785	-	4,551,785
Accrued interest payable	20,438	2,237	22,675
Matured compensated absences	68,654	-	68,654
Long term liabilities:			
Due within one year	1,791,698	205,968	1,997,666
Due in more than one year	<u>4,525,908</u>	<u>891,462</u>	<u>5,417,370</u>
<b>Total liabilities</b>	<u>12,024,445</u>	<u>1,363,750</u>	<u>13,388,195</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	13,953,257	6,696,894	20,650,151
Restricted for:			
Debt service	37,919	-	37,919
Capital projects	392,780	-	392,780
Public safety	116,368	-	116,368
Unrestricted	<u>3,301,220</u>	<u>1,785,855</u>	<u>5,087,075</u>
<b>Total net assets</b>	<u>\$ 17,801,544</u>	<u>\$ 8,482,749</u>	<u>\$ 26,284,293</u>

# City of Bedford Heights, Ohio

## Statement of Activities

### For The Year Ended December 31, 2010

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Government activities:				
General government	\$ 3,636,040	\$ 399,964	\$ -	\$ 112,467
Security of persons and property	10,575,672	352,325	54,932	-
Public health and welfare	359,539	2,499,821	-	-
Leisure time activities	1,442,077	176,466	-	60,000
Community development	364,564	704,565	-	-
Basic utility services	673,000	-	-	31,512
Transportation	1,817,751	-	-	-
Interest and fiscal charges	181,736	-	-	-
Total governmental activities	19,050,379	4,133,141	54,932	203,979
Business-type activities:				
Sewer	2,753,292	2,790,193	-	-
 Total	 \$ <u>21,803,671</u>	 \$ <u>6,923,334</u>	 \$ <u>54,932</u>	 \$ <u>203,979</u>

General revenues:

- Property taxes and other local taxes levied for:
  - General purposes
  - Special revenues
  - Debt service
  - Capital projects
- Income taxes levied for:
  - General purposes
- Grants and entitlements not restricted to specific programs
- Investment income
- Miscellaneous income
- Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (3,123,609)	\$ -	\$ (3,123,609)
(10,168,415)	-	(10,168,415)
2,140,282	-	2,140,282
(1,205,611)	-	(1,205,611)
340,001	-	340,001
(641,488)	-	(641,488)
(1,817,751)	-	(1,817,751)
<u>(181,736)</u>	<u>-</u>	<u>(181,736)</u>
(14,658,327)	-	(14,658,327)
-	<u>36,901</u>	<u>36,901</u>
<u>(14,658,327)</u>	<u>36,901</u>	<u>(14,621,426)</u>
1,344,347	-	1,344,347
1,012,466	-	1,012,466
454,880	-	454,880
454,881	-	454,881
7,353,761	-	7,353,761
2,131,659	-	2,131,659
2,861	259	3,120
65,428	12,529	77,957
<u>(121,000)</u>	<u>121,000</u>	<u>-</u>
<u>12,699,283</u>	<u>133,788</u>	<u>12,833,071</u>
(1,959,044)	170,689	(1,788,355)
<u>19,760,588</u>	<u>8,312,060</u>	<u>28,072,648</u>
\$ <u>17,801,544</u>	\$ <u>8,482,749</u>	\$ <u>26,284,293</u>

# City of Bedford Heights, Ohio

## Balance Sheet Governmental Funds

**December 31, 2010**

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	<u>General</u>	<u>Fire Levy</u>
Assets:		
Cash and cash equivalents	\$ 2,139,566	\$ 19,245
Accounts receivable	459,586	196,030
Intergovernmental receivable	400,016	52,752
Supplies and materials inventory	19,287	-
Prepaid assets	50,456	-
Taxes receivable	<u>2,876,209</u>	<u>688,083</u>
 Total assets	 \$ <u>5,945,120</u>	 \$ <u>956,110</u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ 231,156	\$ 13,978
Accrued wages and benefits	194,375	28,004
Intergovernmental payable	113,291	39,923
Deferred revenue	1,891,743	908,256
Matured compensated absences	<u>68,654</u>	<u>-</u>
 Total liabilities	 <u>2,499,219</u>	 <u>990,161</u>
Fund balances:		
Reserved for encumbrances	52,015	3,086
Reserved for inventory	19,287	-
Reserve for prepaids	50,456	-
Unreserved: undesignated (deficits), reported in:		
General fund	3,324,143	-
Special revenue funds	-	(37,137)
Debt service fund	-	-
Capital projects fund	<u>-</u>	<u>-</u>
 Total fund balances (deficits)	 <u>3,445,901</u>	 <u>(34,051)</u>
 Total liabilities and fund balances	 \$ <u>5,945,120</u>	 \$ <u>956,110</u>

See Accompanying Notes to the Basic Financial Statements

<u>Issue 24 Safety Levy Fund</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 423,901	\$ 401,177	\$ 2,983,889
-	-	7,542	663,158
86,576	48,542	333,457	921,343
-	-	95,966	115,253
-	-	-	50,456
<u>2,040,673</u>	<u>458,724</u>	<u>596,339</u>	<u>6,660,028</u>
\$ <u>2,127,249</u>	\$ <u>931,167</u>	\$ <u>1,434,481</u>	\$ <u>11,394,127</u>
\$ 10,209	\$ 44,496	\$ 31,143	\$ 330,982
-	-	351,764	574,143
-	-	7,623	160,837
2,127,249	493,891	850,207	6,271,346
<u>-</u>	<u>-</u>	<u>-</u>	<u>68,654</u>
<u>2,137,458</u>	<u>538,387</u>	<u>1,240,737</u>	<u>7,405,962</u>
-	96,187	41,645	192,933
-	-	95,966	115,253
-	-	-	50,456
-	-	-	3,324,143
(10,209)	-	18,214	(29,132)
-	-	37,919	37,919
<u>-</u>	<u>296,593</u>	<u>-</u>	<u>296,593</u>
<u>(10,209)</u>	<u>392,780</u>	<u>193,744</u>	<u>3,988,165</u>
\$ <u>2,127,249</u>	\$ <u>931,167</u>	\$ <u>1,434,481</u>	\$ <u>11,394,127</u>

# City of Bedford Heights, Ohio

## Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

**December 31, 2010**

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Total Governmental fund balances \$ 3,988,165

*Amounts reported for governmental activities in the Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 18,041,508

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 502,132
Municipal income taxes	289,832
Charges for services	167,421
Intergovernmental	<u>760,176</u>

Total 1,719,561

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (20,438)

Internal service funds are used by management to charge the costs of certain activities, such Worker's Compensation Insurance and Health Insurance that are not reported in the Governmental Funds. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities. (270,287)

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

General obligation bonds	(3,409,550)
OPWC loans payable	(242,508)
Capital lease payable	(436,193)
Compensated absences	<u>(1,568,714)</u>

Total (5,656,965)

*Net assets of governmental activities* \$ 17,801,544

See Accompanying Notes to the Basic Financial Statements

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# City of Bedford Heights, Ohio

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

**For the Year Ended December 31, 2010**

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	<u>General</u>	<u>Fire Levy</u>
Revenues:		
Property taxes	\$ 1,422,955	\$ 725,993
Municipal income taxes	7,453,724	-
Intergovernmental	936,981	372,880
Charges for services	2,602,009	270,185
Licenses and permits	436,331	-
Fines and forfeitures	174,344	-
Special assessments	-	-
Investment income	2,124	-
Miscellaneous income	<u>159,580</u>	<u>16,669</u>
Total revenues	<u>13,188,048</u>	<u>1,385,727</u>
Expenditures:		
Current operations and maintenance:		
Security of persons and property	6,208,674	3,000,395
Public health and welfare	351,236	-
Leisure time activities	1,120,826	-
Community development	359,760	-
Basic utility services	670,384	-
Transportation	-	-
General government	3,365,123	-
Capital outlay	20,204	-
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>
Total expenditures	<u>12,096,207</u>	<u>3,000,395</u>
Excess of revenues over (under) expenditures	<u>1,091,841</u>	<u>(1,614,668)</u>
Other financing sources (uses):		
Transfers – in	-	1,625,000
Transfers – out	<u>(2,716,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,716,000)</u>	<u>1,625,000</u>
Net change in fund balances	(1,624,159)	10,332
Fund balances (deficits) at beginning of year	<u>5,070,060</u>	<u>(44,383)</u>
Fund balances (deficits) at end of year	\$ <u><u>3,445,901</u></u>	\$ <u><u>(34,051)</u></u>

See Accompanying Notes to the Basic Financial Statements

Issue 24 Safety Levy Fund	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 483,995	\$ 629,192	\$ 3,262,135
-	-	-	7,453,724
-	294,332	849,307	2,453,500
-	-	-	2,872,194
-	-	13,191	449,522
-	-	3,065	177,409
-	-	31,000	31,000
-	249	50	2,423
-	<u>52,032</u>	<u>218,526</u>	<u>446,807</u>
-	<u>830,608</u>	<u>1,744,331</u>	<u>17,148,714</u>
10,209	-	1,390,545	10,609,823
-	-	-	351,236
-	111,289	-	1,232,115
-	-	-	359,760
-	61,636	4,000	736,020
-	329,654	857,526	1,187,180
-	3,464	22,023	3,390,610
-	393,219	-	413,423
-	6,218	770,031	776,249
-	-	<u>185,726</u>	<u>185,726</u>
<u>10,209</u>	<u>905,480</u>	<u>3,229,851</u>	<u>19,242,142</u>
<u>(10,209)</u>	<u>(74,872)</u>	<u>(1,485,520)</u>	<u>(2,093,428)</u>
-	-	1,171,000	2,796,000
-	-	<u>(80,000)</u>	<u>(2,796,000)</u>
-	-	<u>1,091,000</u>	-
(10,209)	(74,872)	(394,520)	(2,093,428)
-	<u>467,652</u>	<u>588,264</u>	<u>6,081,593</u>
\$ <u>(10,209)</u>	\$ <u>392,780</u>	\$ <u>193,744</u>	\$ <u>3,988,165</u>

# City of Bedford Heights, 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, 2010

Net change in fund balances - total governmental funds \$ (2,093,428)

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlay 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 outlays in the current period.

Capital outlay	\$ 538,007	
Depreciation	<u>(1,376,146)</u>	
Total		(838,139)

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. (22,161)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property and other taxes	4,439	
Municipal income taxes	(99,963)	
Intergovernmental	110,772	
Charges for services	<u>47,935</u>	
Total		63,183

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 653,168

Internal service funds are used by management to charge costs of certain activities, such as worker's compensation insurance and health insurance. The net revenue (expense) of the Internal Service Funds are reported with the Governmental Activities. (131,480)

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	282,742	
Capital leases payable	123,081	
Accrued interest payable	<u>3,990</u>	
Total		<u>409,813</u>

Change in net assets of governmental activities \$ (1,959,044)

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes	\$ 1,180,000	\$ 1,391,000	\$ 1,422,955	\$ 31,955
Municipal income taxes	7,335,000	7,341,000	7,340,182	(818)
Other local taxes	-	32,000	-	(32,000)
Intergovernmental	983,431	985,371	986,018	647
Charges for services	2,485,076	2,501,605	2,592,680	91,075
Licenses and permits	382,350	413,318	415,991	2,673
Fines and forfeitures	164,000	175,000	173,681	(1,319)
Investment income	30,000	2,100	2,124	24
Miscellaneous income	<u>178,200</u>	<u>206,882</u>	<u>224,974</u>	<u>18,092</u>
Total revenues	<u>12,738,057</u>	<u>13,048,276</u>	<u>13,158,605</u>	<u>110,329</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
Security of persons and property	5,737,532	6,235,978	6,163,345	72,633
Public health and welfare	384,226	377,570	351,713	25,857
Leisure time activities	1,235,065	1,195,410	1,148,842	46,568
Community development	371,310	367,917	358,676	9,241
Basic utility services	693,496	692,781	672,960	19,821
General government	3,335,802	3,508,026	3,444,009	64,017
Capital outlay	<u>14,500</u>	<u>20,000</u>	<u>19,442</u>	<u>558</u>
Total expenditures	<u>11,771,931</u>	<u>12,397,682</u>	<u>12,158,987</u>	<u>238,695</u>
Excess of revenues over (under) expenditures	966,126	650,594	999,618	349,024
<b>Other financing sources (uses):</b>				
Transfers – out	<u>(2,689,000)</u>	<u>(2,716,000)</u>	<u>(2,716,000)</u>	<u>-</u>
Net change in fund balance	(1,722,874)	(2,065,406)	(1,716,382)	349,024
Fund balance at beginning of year	3,789,126	3,789,126	3,789,126	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>66,822</u>	<u>66,822</u>
Fund balance at end of year	\$ <u>2,066,252</u>	\$ <u>1,723,720</u>	\$ <u>2,139,566</u>	\$ <u>415,846</u>

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Levy

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 665,000	\$ 725,000	\$ 725,993	\$ 993
Intergovernmental	193,279	392,179	372,880	(19,299)
Charges for services	265,000	240,000	241,576	1,576
Miscellaneous income	<u>20,500</u>	<u>17,300</u>	<u>16,669</u>	<u>(631)</u>
Total revenues	1,143,779	1,374,479	1,357,118	(17,361)
Expenditures:				
Current operations and maintenance:				
Security of persons and property	<u>2,768,450</u>	<u>3,016,675</u>	<u>2,989,480</u>	<u>27,195</u>
Excess of revenues over (under) expenditures	(1,624,671)	(1,642,196)	(1,632,362)	9,834
Other financing sources (uses):				
Transfers – in	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,625,000</u>	<u>-</u>
Net change in fund balance	329	(17,196)	(7,362)	9,834
Fund balance at beginning of year	23,471	23,471	23,471	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>3,136</u>	<u>3,136</u>
Fund balance at end of year	\$ <u>23,800</u>	\$ <u>6,275</u>	\$ <u>19,245</u>	\$ <u>12,970</u>

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Statement of Fund Net Assets Proprietary Funds

**December 31, 2010**

	<u>Business-Type Activities</u> Sewer Treatment Fund	<u>Governmental Activities</u> Internal Service Fund
Assets:		
Current assets		
Cash and cash equivalents	\$ 702,894	\$ 246,985
Accounts receivable	1,530,032	-
Intergovernmental receivable	-	143,369
Supplies and materials inventory	61,596	-
Prepaid assets	<u>29,633</u>	<u>-</u>
Total current assets	<u>2,324,155</u>	<u>390,354</u>
Noncurrent assets:		
Non-depreciable capital assets	121,981	-
Depreciable capital assets, net	<u>7,400,363</u>	<u>-</u>
Total noncurrent assets	<u>7,522,344</u>	<u>-</u>
Total assets	<u>9,846,499</u>	<u>390,354</u>
Liabilities:		
Current liabilities:		
Accounts payable	195,692	-
Accrued wages and benefits	47,124	-
Intergovernmental payable	21,267	-
Accrued interest payable	2,237	-
Claims payable	-	340,152
Accrued compensated absences	113,618	-
General obligation bond payable	<u>92,350</u>	<u>-</u>
Total current liabilities	<u>472,288</u>	<u>340,152</u>
Long-term liabilities (net of current portion):		
Claims payable	-	320,489
Accrued compensated absences	158,362	-
General obligation bond payable	<u>733,100</u>	<u>-</u>
Total long-term liabilities	<u>891,462</u>	<u>320,489</u>
Total liabilities	<u>1,363,750</u>	<u>660,641</u>
Net assets:		
Invested in capital assets, net of related debt	6,696,894	-
Unrestricted	<u>1,785,855</u>	<u>(270,287)</u>
Total net assets	<u>\$ 8,482,749</u>	<u>\$ (270,287)</u>

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds

**For the Year Ended December 31, 2010**

	<u>Business-Type Activities</u> Sewer Treatment Fund	<u>Governmental Activities</u> Internal Service Fund
Operating revenues:		
Charges for services	\$ 2,790,193	\$ 1,719,278
Other	<u>12,529</u>	<u>-</u>
Total operating revenues	<u>2,802,722</u>	<u>1,719,278</u>
Operating expenses:		
Personal services	1,578,245	-
Travel and education	8,502	-
Contractual services	556,118	-
Supplies and materials	184,497	-
Claims	-	1,851,196
Depreciation	<u>396,661</u>	<u>-</u>
Total operating expenses	<u>2,724,023</u>	<u>1,851,196</u>
Operating income (loss)	<u>78,699</u>	<u>(131,918)</u>
Non-operating revenues (expenses):		
Investment income	259	438
Interest and fiscal charges	<u>(29,269)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(29,010)</u>	<u>438</u>
Income (loss) before contributions	49,689	(131,480)
Capital contributions	<u>121,000</u>	<u>-</u>
Change in net assets	170,689	(131,480)
Net assets at beginning of year	<u>8,312,060</u>	<u>(138,807)</u>
Net assets at end of year	<u>\$ 8,482,749</u>	<u>\$ (270,287)</u>

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Statement of Cash Flows Proprietary Fund Types

### For the Year Ended December 31, 2010

	Business-Type Activities <u>Sewer Treatment Fund</u>	Governmental Activities <u>Internal Service Fund</u>
Cash flows from operating activities		
Cash received from customers	\$ 2,606,475	\$ -
Cash received from interfund services	-	1,575,909
Cash payments for goods and services	(488,417)	-
Cash payments to employees for services and benefits	(1,617,275)	-
Cash payments for materials and supplies	(183,450)	-
Cash payments for claims	-	(1,633,309)
Cash received for other operating activities	<u>12,529</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>329,862</u>	<u>(57,400)</u>
Cash flows from capital and related financing activities		
Acquisition and construction of assets	(173,075)	-
Principal paid	(88,050)	-
Interest paid	<u>(29,490)</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(290,615)</u>	<u>-</u>
Cash flows from investing activities		
Interest received	<u>259</u>	<u>438</u>
Net increase (decrease) in cash and cash equivalents	39,506	(56,962)
Cash and cash equivalents at beginning of year	<u>663,388</u>	<u>303,947</u>
Cash and cash equivalents at end of year	\$ <u><u>702,894</u></u>	\$ <u><u>246,985</u></u>
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>		
Operating income (loss)	\$ 78,699	\$ (131,918)
Adjustments:		
Depreciation	396,661	-
Changes in assets/liabilities		
Increase in accounts receivable	(183,718)	-
Increase in intergovernmental receivable	-	(143,369)
Decrease in supplies and materials inventory	1,047	-
Decrease in prepaid assets	(7,975)	-
Decrease in accounts payable	142,678	-
Decrease in accrued wages and benefits	8,404	-
Increase in claims payable	-	217,887
Decrease in accrued compensated absences	(105,826)	-
Increase in intergovernmental payable	<u>(108)</u>	<u>-</u>
Net cash provided by operating activities	\$ <u><u>329,862</u></u>	\$ <u><u>(57,400)</u></u>

#### Schedule of non-cash investing, capital, and financing activities:

As of December 31, 2010, the Sewer Fund received \$121,000 as contributions to capital assets from governmental activities.

See Accompanying Notes to the Basic Financial Statements

**City of Bedford Heights, Ohio**

Statement of Fiduciary Net Assets  
Agency Funds

**December 31, 2010**

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	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ <u>45,937</u>
Liabilities:	
Intergovernmental payable	\$ <u>45,937</u>

See Accompanying Notes to the Basic Financial Statements

# City of Bedford Heights, Ohio

## Notes to the Basic Financial Statements

### **For the Year Ended December 31, 2010**

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#### **Note 1: The Reporting Entity**

The City of Bedford Heights is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted January 1, 1960.

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, departments, boards and agencies that are not legally separate from the City. For the City of Bedford Heights this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system department, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

The Mayor's Court (the Court), which provides judicial services, is responsible for the levying and collecting of fines and forfeitures under state and local laws, and their subsequent distribution to various government agencies. The City budgets and appropriates funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its share of the Court's administrative and operating costs, is recorded in the City's General Fund. Due to this relationship, the Court is not considered a component unit of the City but rather as part of the primary government unit itself. Monies held by the Court in a fiduciary capacity are recorded as an agency fund in the accompanying financial statements.

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 deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

#### **Note 2: Summary of Significant Accounting Policies**

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **A. Basis of Presentation**

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

#### *Government-Wide Financial Statements*

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues 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 function 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. Non-Major 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.

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.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting***

*Governmental Funds* - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

*Fire Levy Fund* – Accounts for three (3) mills for each one dollar of assessed valuation for the purpose of operating, equipping and housing the City's own division of fire.

*Issue 24 Safety Levy Fund* – Accounts for 8.9 mills for each one dollar of assessed valuation for the purpose of operating the City's safety services.

*Capital Improvements Fund* – This fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

*Proprietary Funds* - The proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either Enterprise or Internal Service.

*Enterprise Fund* – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise fund is the Sewer Treatment Fund. This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

*Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City maintains two separate internal service funds to account for its worker's compensation self-insurance activity and medical self-insurance activity.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***B. Fund Accounting (continued)***

*Fiduciary Funds* – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds are for the Veterans Memorial, Glenwillow Sanitary Sewer Maintenance and Repair and the Mayor's Court.

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

##### *Government-Wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets, except for fiduciary funds.

##### *Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

#### ***D. Basis of Accounting***

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

##### *Revenues – Exchange and Non-Exchange 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. Available period for the City is sixty days after year-end.

Non-exchange 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 period in which the income is earned.

Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5).

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 a modified accrual basis, revenue from non-exchange 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), fines and forfeitures, licenses and permits, interest, grants and rentals.

##### *Deferred Revenue*

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***D. Basis of Accounting (continued)***

##### *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.

#### ***E. Budgetary Process***

An annual appropriated budget is legally required to be prepared for all funds of the City other than Agency funds. Council passes appropriations at the function and object level. Line item appropriations may be transferred between the accounts with the approval of the Mayor, Finance Director, and respective department head. Council must approve any revisions in the budget that alter appropriations at the function and object level.

The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

##### *Tax Budget*

A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

##### *Estimated Resources*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for annual appropriations measure.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments are made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2010. The amounts reported in the budgetary as final reflect the amounts in the final amended official certificate of estimated resources issued during 2010.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***E. Budgetary Process (continued)***

##### *Annual Estimate*

The Mayor, with the assistance of the Finance Director, is required by Charter to submit to Council, on or before December 1 of each fiscal year, an estimate of the revenues and expenditures of each fund of the City for the next succeeding fiscal year. The annual estimate serves as the basis for appropriations (the appropriated budget) in each fund.

##### *Appropriations*

An appropriation ordinance (the appropriated budget) to control the level of expenditures for all funds must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted by Council action. During the year, three supplemental appropriation measures were necessary. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for each fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

##### *Lapsing of Appropriations*

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is reappropriated.

##### *Budgeted Level of Expenditure*

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made to personal services, travel and education, contractual services, supplies and materials, capital outlay, debt principal and interest payments, and transfer accounts for each department. The appropriations set by Council must remain fixed unless amended by Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within Council's appropriated amount.

##### *Encumbrances*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures of governmental funds.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***F. Cash and Cash Equivalents***

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

During fiscal year 2010, the City invested in STAR Ohio, money market accounts and municipal savings accounts.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2010.

Following Ohio statutes, City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Individual investments are specifically identified as to which fund or funds the investment relates, and which funds are to be credited with the related interest earnings. During 2010, interest revenue credited to the General Fund amounted to \$2,124, of which, \$276 was from other funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

#### ***G. Inventory***

Inventories for all governmental funds are valued using the first-in/first out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

Inventories of proprietary funds are valued using the first-in/first-out method and expensed when used rather than when purchased.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the allocation method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

#### ***I. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets 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. Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is five thousand dollars. The City's infrastructure consists of streets and sanitary and storm sewer lines. 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 capital assets is also capitalized.

In the case of the initial capitalization of general infrastructure the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets by 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. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	6 to 50 years
Furniture, fixtures, and equipment	3 to 40 years
Vehicles	5 to 15 years
Infrastructure:	
Streets	15 to 20 years
Sewer lines	50 to 75 years

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***J. Interfund Balances***

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

#### ***K. Compensated Absences***

The City reports compensated absences in accordance with the provisions of GASB No. 16, “*Accounting for 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.

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. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the City’s termination policy. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

The entire compensated absence liability is reported on the government-wide financial statements.

#### ***L. Accrued Liabilities and Long-Term Obligations***

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

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

#### ***M. Fund Balance Reserves***

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### ***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$547,067 of restricted net assets, none of which is restricted by enabling legislation.

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

#### ***O. 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 reimbursements for the sewer-treatment plant. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

#### ***P. Interfund Activity***

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

#### ***Q. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither item occurred in 2010.

#### ***R. Estimates***

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## For the Year Ended December 31, 2010

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### Note 2: Summary of Significant Accounting Policies (continued)

#### S. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 27, 2011, the date the financial statements were available to be issued.

#### T. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2009 financial statements in order to conform to the 2010 presentation.

### Note 3: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance 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 and disbursements.

The Statements of Revenue, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual 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 identified as follows:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) Encumbrances are treated as expenditures (budget basis) rather than a reservation of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and Fire Levy Fund.

	<u>Net Change in Fund Balances</u>	
	<u>General</u>	<u>Fire Levy</u>
GAAP basis	\$ (1,624,159)	\$ 10,332
<u>Increase (Decrease) due to:</u>		
Revenue accruals	(29,443)	(28,609)
Expenditure accruals	4,042	14,051
Encumbrances	<u>(66,822)</u>	<u>(3,136)</u>
Budget basis	\$ <u>(1,716,382)</u>	\$ <u>(7,362)</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 3: Budgetary Basis of Accounting (continued)**

A reconciliation for the Issue 24 Safety Levy Fund is not presented on the table on the previous page. The fund did not have any budget basis activity during 2010 and all activity presented in the Governmental Funds Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances is caused by the application of generally accepted accounting principles.

### **Note 4: Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

Inactive deposits are monies 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 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 monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Investment grade obligations of state and local governments, and public authorities;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 4: Deposits and Investments (continued)**

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

#### **A. Deposits**

*Custodial credit risk* is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was \$3,128,035 and the bank balance was \$3,320,027. Of the bank balance, \$1,084,706 was covered by Federal depository insurance and \$2,235,321 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name.

#### **B. Investments**

The City has a formal investment policy. The City follows GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investments Pools", and reports all its investments at fair value. As of December 31, 2010, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
STAR Ohio	\$ <u>851,670</u>	<u>N/A</u>

*Interest Rate Risk* arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring 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, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than one year.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 4: Deposits and Investments (continued)**

#### **B. Investments (continued)**

*Custodial Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

*Credit Risk* is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a "AAAm" money market rating by Standard & Poor's.

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2010:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAR Ohio	100%

### **Note 5: Receivables**

Receivables at December 31, 2010 consisted primarily of taxes, intergovernmental receivables arising from grants, special assessments, charges for sewer treatment services, charges for ambulance services, and charges for prisoner housing. All receivables are considered fully collectible.

#### **A. Property Taxes**

Property taxes include amounts levied against all real property and public utility tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections for 2009 taxes. Property tax payments received during 2010 for tangible personal property, except for public utility property, are for prior year unpaid tangible personal property taxes.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2009 affecting collections beginning in 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 5: Receivables (continued)**

#### **A. Property Taxes (continued)**

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. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

Tangible personal property used in business (except for public utilities) was phased out – the assessment percentage for all property including inventory for 2010 is zero. Amounts for prior year unpaid tangible personal property taxes may still be collected. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The assessed values per category applicable to the 2010 tax are as follows:

#### Assessed Value

Category	
Real estate	\$ 237,405,040
Public utility	<u>4,872,500</u>
Total	\$ <u>242,277,540</u>

The tax rate levied to finance the City's services for the years ended December 31, 2010 and December 31, 2009 was \$13.00 per \$1,000 of real estate and personal property valuation. Total taxes receivable in the General Fund at December 31, 2010 was \$2,876,209, of which \$1,270,097 relates to property taxes.

#### **B. Income Tax**

The City levies and collects an income tax of two percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General Fund. Total taxes receivable in the General Fund at December 31, 2010 was \$2,876,209, of which \$1,606,112 relates to income taxes.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 5: Receivables (continued)**

#### **C. Intergovernmental**

A summary of intergovernmental receivables is as follows:

Governmental activities:	<u>Amounts</u>
Local governmental	\$ 304,596
Homestead and rollback	209,569
Gasoline tax	192,700
Motor vehicle license	91,553
CAT tax	102,600
Estate tax	1,099
Permissive auto registration	5,852
Miscellaneous	<u>156,743</u>
Total	<u>\$ 1,064,712</u>

### **Note 6: Interfund Transactions**

Interfund transfers for the year ended December 31, 2010, consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	
Fire Levy Fund	\$ 1,545,000	\$ 80,000	\$ 1,625,000
Non-Major Governmental Funds	<u>1,171,000</u>	<u>-</u>	<u>1,171,000</u>
Total	<u>\$ 2,716,000</u>	<u>\$ 80,000</u>	<u>\$ 2,796,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The City had no transfers that were inconsistent with the purpose of the fund making the transfer. The transfer from the non-major governmental funds to the Fire Levy fund was made from the Ambulance Service fund to cover various costs of the fire department.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 7: Capital Assets**

A summary of changes in capital assets during 2010 follows:

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/10</u>
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 1,786,987	\$ -	\$ -	\$ 1,786,987
Construction in progress	<u>109,719</u>	<u>381,389</u>	<u>(214,124)</u>	<u>276,984</u>
Total non-depreciable assets	<u>1,896,706</u>	<u>381,389</u>	<u>(214,124)</u>	<u>2,063,971</u>
Depreciable assets:				
Buildings and improvements	18,626,445	109,901	-	18,736,346
Furniture, fixtures and equipment	2,475,096	156,826	(28,353)	2,603,569
Vehicles	3,292,157	-	-	3,292,157
Infrastructure:				
Streets	<u>14,192,999</u>	<u>104,015</u>	<u>(103,714)</u>	<u>14,193,300</u>
Total depreciable assets	<u>38,586,697</u>	<u>370,742</u>	<u>(132,067)</u>	<u>38,825,372</u>
Less accumulated depreciation:				
Buildings and improvements	(9,584,244)	(511,703)	-	(10,095,947)
Furniture, fixtures and equipment	(1,910,056)	(118,095)	26,935	(2,001,216)
Vehicles	(1,983,571)	(209,741)	-	(2,193,312)
Infrastructure:				
Streets	<u>(8,103,724)</u>	<u>(536,607)</u>	<u>82,971</u>	<u>(8,557,360)</u>
Total accumulated depreciation	<u>(21,581,595)</u>	<u>(1,376,146)</u>	<u>109,906</u>	<u>(22,847,835)</u>
Total depreciable assets, net	<u>17,005,102</u>	<u>(1,005,404)</u>	<u>(22,161)</u>	<u>15,977,537</u>
Governmental activities capital assets, net	\$ <u>18,901,808</u>	\$ <u>(624,015)</u>	\$ <u>(236,285)</u>	\$ <u>18,041,508</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

### **Note 7: Capital Assets (continued)**

	Balance 12/31/09	Additions	Disposals	Balance 12/31/10
<b>Business-type activities:</b>				
Non-depreciable assets:				
Land	\$ 99,200	\$ -	\$ -	\$ 99,200
Construction in progress	<u>-</u>	<u>22,781</u>	<u>-</u>	<u>22,781</u>
Total non-depreciable assets	<u>99,200</u>	<u>22,781</u>	<u>-</u>	<u>121,981</u>
Depreciable assets:				
Buildings and improvements	3,922,813	-	-	3,922,813
Furniture, fixtures and equipment	7,410,982	150,294	-	7,561,276
Vehicles	387,181	-	-	387,181
Infrastructure:				
Sewers	<u>6,332,009</u>	<u>121,000</u>	<u>-</u>	<u>6,453,009</u>
Total depreciable assets	<u>18,052,985</u>	<u>271,294</u>	<u>-</u>	<u>18,324,279</u>
Less accumulated depreciation:				
Buildings and improvements	(2,733,225)	(74,108)	-	(2,807,333)
Furniture, fixtures and equipment	(5,862,468)	(191,072)	-	(6,053,540)
Vehicles	(327,486)	(4,661)	-	(332,147)
Infrastructure:				
Sewers	<u>(1,604,076)</u>	<u>(126,820)</u>	<u>-</u>	<u>(1,730,896)</u>
Total accumulated depreciation	<u>(10,527,255)</u>	<u>(396,661)</u>	<u>-</u>	<u>(10,923,916)</u>
Total depreciable assets, net	<u>7,525,730</u>	<u>(125,367)</u>	<u>-</u>	<u>7,400,363</u>
Business-type capital assets, net	\$ <u>7,624,930</u>	\$ <u>(102,586)</u>	\$ <u>-</u>	\$ <u>7,522,344</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 193,352
Security of persons and property	305,107
Public health and welfare	9,224
Leisure time activities	291,524
Community development	6,703
Basic utility services	26,870
Transportation	<u>543,366</u>
Total	\$ <u>1,376,146</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## For the Year Ended December 31, 2010

### Note 8: Long-Term Debt

#### A. Original Issues

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

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds:			
Community Center Expansion	1994	4.90% - 6.00%	\$ 3,700,000
Jail Facilities	2004	2.00% - 4.00%	3,300,000
Various Purpose Bonds	2008	3.00% - 3.63%	1,352,800
Various Purpose Bonds	2008	3.00% - 3.63%	982,200
OPWC Loan:			
Sunset Drive Improvements	2009	0.00%	248,727

#### B. Bonded Debt and Other Long-Term Obligations

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2010 was as follows:

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/10</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds:					
Community center expansion, due through 2014	\$ 1,325,000	\$ -	\$ (235,000)	\$ 1,090,000	\$ 250,000
Refunded jail facilities improvement, due through 2018	1,475,000	-	(290,000)	1,185,000	295,000
Various purpose bonds, due through 2018	<u>1,256,500</u>	<u>-</u>	<u>(121,950)</u>	<u>1,134,550</u>	<u>127,650</u>
Total general obligation bonds	<u>4,056,500</u>	<u>-</u>	<u>(646,950)</u>	<u>3,409,550</u>	<u>672,650</u>
Ohio Public Works Commission Loan:					
Sunset Drive improvements, due through 2030	<u>248,726</u>	<u>-</u>	<u>(6,218)</u>	<u>242,508</u>	<u>12,436</u>
Other long-term obligations:					
Claims payable	442,754	1,778,732	(1,560,845)	660,641	340,152
Capital leases payable	559,274	-	(123,081)	436,193	101,197
Accrued compensated absences	<u>1,851,456</u>	<u>781,657</u>	<u>(1,064,399)</u>	<u>1,568,714</u>	<u>665,263</u>
Total other long-term obligations	<u>2,853,484</u>	<u>2,560,389</u>	<u>(2,748,325)</u>	<u>2,665,548</u>	<u>1,106,612</u>
Total governmental activities long-term liabilities	\$ <u>7,158,710</u>	\$ <u>2,560,389</u>	\$ <u>(3,401,493)</u>	\$ <u>6,317,606</u>	\$ <u>1,791,698</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## For the Year Ended December 31, 2010

### Note 8: Long-Term Debt (continued)

#### B. Bonded Debt and Other Long-Term Obligations

	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/10</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Business-type activities:</b>					
General obligation bonds:					
Various purpose bonds, due through 2018	\$ 913,500	\$ -	\$ (88,050)	\$ 825,450	\$ 92,350
Other long-term obligations:					
Accrued compensated absences	<u>377,806</u>	<u>114,085</u>	<u>(219,911)</u>	<u>271,980</u>	<u>113,618</u>
Total business-type activities long-term liabilities	\$ <u>1,291,306</u>	\$ <u>114,085</u>	\$ <u>(307,961)</u>	\$ <u>1,097,430</u>	\$ <u>205,968</u>

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2010 are as follows:

Year	General Obligation Bonds				OPWC Loans
	Governmental		Business-Type		Governmental
	Principal	Interest	Principal	Interest	Principal
2011	\$ 672,650	\$ 136,146	\$ 92,350	\$ 26,849	\$ 12,436
2012	705,500	109,932	94,500	24,078	12,436
2013	733,350	81,434	96,650	21,243	12,436
2014	626,200	51,054	98,800	18,344	12,436
2015	159,050	23,500	105,950	15,256	12,436
2016-2020	512,800	37,599	337,200	24,208	62,180
2021-2025	-	-	-	-	62,180
2026-2030	-	-	-	-	55,968
Totals	\$ <u>3,409,550</u>	\$ <u>439,665</u>	\$ <u>825,450</u>	\$ <u>129,978</u>	\$ <u>242,508</u>

General obligation bonds and notes are direct obligations of the City for which its full faith and credit are pledged for repayment.

In the event that revenues are not sufficient to meet annual principal and interest requirements, the City has reserved the right to levy property tax millage in an amount necessary to retire principal and interest.

Compensated absences will be paid from the General Fund, Street Maintenance and Repair Fund, Fire Pension Fund and Sewer Treatment Fund.

The City's overall legal debt margin was \$21,344,832 at December 31, 2010.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 8: Long-Term Debt (continued)**

#### ***B. Bonded Debt and Other Long-Term Obligations (continued)***

In 2008, the City issued a par amount of \$2,335,000 of Various Improvement bonds with a variable coupon rate ranging from 3.00 to 3.63 percent. The bonds were issued for the purposes of improving buildings and wastewater treatment systems, including, but not limited to upgrades to lighting fixtures, HVAC modifications and various additional building improvements to conserve energy.

In 2004, the City issued a par amount of \$3,300,000 of Jail Facilities bonds with an average coupon rate of 2.518 percent to advance refund the portion of the 1995 Prior Issue stated to mature on December 1, 2018 in the aggregate principal amount of \$1,340,000 with an interest rate of 2.9 percent. The net proceeds from the issuances of the general obligation bonds and cash payment of \$49,496 were used to purchase U.S Government Securities in the amount of \$1,442,145 and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the Jail Facilities bonds are called on December 1, 2014. The advance refunding met the requirements of an in-substance debt defeasance and the Jail Facilities bonds were removed from the City's government-wide financial statements. As of December 31, 2010, the amount of defeased debt outstanding but removed from the financial statements amounted to \$640,000.

### **Note 9: Capital Leases**

The City has entered into lease agreements as lessee for financing which relate to various equipment and vehicles. These leases are long-term agreements which meet the criteria of a capital lease in accordance with the "Fair Value Measurements" topic of the FASB ASC. These amounts represent the present value of the minimum lease payments at the inception of the lease.

	<u>Governmental Activities</u>
Assets:	
Vehicles	\$ 882,912
Less: accumulated depreciation	<u>(369,801)</u>
Total	<u>\$ 513,111</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 9: Capital Leases (continued)**

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

<u>Year</u>	<u>Governmental Activities</u>
2011	\$ 120,570
2012	92,845
2013	92,845
2014	92,845
2015	<u>92,845</u>
Total minimum lease payments	491,950
Less: Amount representing interest	<u>(55,757)</u>
Present value of minimum lease payments	\$ <u><u>436,193</u></u>

Lease payments are made from the Street Maintenance and Repair fund and Ambulance Billing fund. The lease payments will be paid with current, available resources that have accumulated in the fund for payment early in the following year.

### **Note 10: Compensated Absences**

In conformity with GASB Statement No. 16, the City accrues vacation and compensatory time benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Likewise, the City accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the pay rates in effect at December 31, 2010. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

Vacation leave is earned at rates that vary depending upon length of service and standard workweek. The City's current vacation policy specifies that accumulated vacation leave must be used prior to December 31 of the year following the year in which it is earned unless approved by Council.

Each department earns sick leave at a negotiated rate per month. Each employee with the City is paid a portion of the employee's earned unused sick leave, with a maximum number of hours per department specifications, upon retirement from the City with 10 years of service. The Police and Fire Departments are able to accumulate compensatory time in lieu of being paid overtime, to be taken anytime or paid at the time of separation.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 11: Pension Plans**

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2010, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll.

The City's required contributions for pension obligations, excluding healthcare, to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$489,201, \$491,807, and \$447,101, respectively. The full amount has been contributed for 2009 and 2008. For 2010, 91.9 percent has been contributed, with the remainder being reported as a liability within the accrued wages and benefits.

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

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 11: Pension Plans (continued)**

#### ***B. Ohio Police and Fire Pension Fund (continued)***

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the Fund for police and firefighters were \$481,006 and \$531,397, respectively, for the year ended December 31, 2010, \$479,426 and \$515,704, respectively, for the year ended December 31, 2009, and \$482,051 and \$497,810, respectively, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. For 2010, 74.2 percent for police and 72.8 percent for firefighters has been contributed, with the remainder being reported as a liability within the accrued wages and benefits.

### **Note 12: Postemployment Benefits**

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

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

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

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 800-222-7377

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 12: Postemployment Benefits (continued)**

#### **A. *Ohio Public Employees Retirement System (continued)***

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2010, 2009, and 2008 were \$278,535, \$355,614, and \$447,101, respectively. The full amount has been contributed for 2009 and 2008. For 2010, 91.9 percent has been contributed, with the remainder being reported as a liability within the accrued wages and benefits.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

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

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 12: Postemployment Benefits (continued)**

#### ***B. Ohio Police and Fire Pension Fund (continued)***

The Ohio Revised Code provides for contribution requirements of the participating employers and of the 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 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 and 401(h).

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

The City's contributions to OP&F for police and fire for the years ending December 31, 2010, 2009, and 2008 were \$481,006 and \$531,397, \$479,426 and \$515,704, and \$482,051 and \$497,810, respectively, of which \$166,502 and \$149,455, \$165,955 and \$145,042, and \$166,684 and \$140,009, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2009 and 2008. For 2010, 74.2 percent for police and 72.8 percent for firefighters has been contributed, with the remainder being reported as a liability within the accrued wages and benefits.

### **Note 13: Risk Management**

#### ***A. Property and Liability***

The Northern Ohio Risk Management Association (NORMA) is jointly owned and operated by the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid and University Heights for the purpose of enabling its members to obtain maximum exposure protection at the least possible cost. The pool has a complete package of coverage, including property, general liability, automobile liability, employee dishonesty, boiler and

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 13: Risk Management (continued)**

#### **A. Property and Liability (continued)**

machinery, and other coverages, supplemented by an umbrella liability policy. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of one representative from each of the participating members. Each entity must commit to the joint venture for terms of three years.

Each member provides operating resources to NORMA based on actuarially determined rates and shares in NORMA's residual equity based on the City's percentage of contributions. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of \$150,000 per occurrence, will be paid from the self-insurance pool with any excess paid from the stop loss coverage carried by the pool. As of December 31, 2010, NORMA had an aggregate stop loss ranging from \$400,000 to \$750,000 per policy year. Any losses over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment. This has not been necessary throughout the 20-year history of the pool.

#### **B. Workers' Compensation Program**

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, a city could be fully insured against worker compensation claims. The City paid a premium determined by the "base rate" as modified by the "experience factor". Prior to 2008, the City was a part of the fully insured program.

Ohio law was amended to permit a plan based on a so called "Retrospective Rating." Ohio employers that meet the eligibility requirements and standards are able to participate in this plan which transfers a certain portion of the claim risk to the employer. Under the terms of the Retrospective Rating Plan, an employer is required to make three forms of payment.

- First a minimum premium payment, which is a fraction of the premium it would have been under the fully insured plan.
- Second, the employer is responsible for all selection year claims paid by the Bureau within the next ten years upon leaving the Retrospective Rating Plan.
- Third, at the end of the ten-year period, the Bureau will compute a final premium liability for all remaining, unresolved claims.

The City applied for and was accepted into the Retrospective Rating Plan in 2008. The City's Workers' Compensation Self-Insurance Fund (an Internal Service Fund) is used to account for and pay Workers' Compensation claims from the accumulated assets of the fund. The City's Retrospective Rating Plan provided for a \$200,000 catastrophic limit per claim and an aggregate claim limit of 200% fully insured premium that would have been payable by the City for the year in which the injury occurred.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 13: Risk Management (continued)**

#### ***B. Workers' Compensation Program (continued)***

The claims liability of \$463,858 reported in the Workers' Compensation Self-Insurance Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in the Fund's claims liability amount in 2010 were as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 315,668	\$ -
Incurred claims and changes in estimate	252,695	315,668
Claims payments	<u>(104,505)</u>	<u>-</u>
Unpaid claims, end of year	<u>\$ 463,858</u>	<u>\$ 315,668</u>

#### ***C. Health Insurance Benefits***

On March 1, 2009 the City began providing health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly administrative premium, including a stop-loss fee, for the self-insurance plan. The City contracts with a third party administrator to direct this program. During 2010, self-insurance was in effect for claims up to \$85,000 per covered individual. Any claims exceeding this threshold are covered by stop-loss.

The claims liability of \$196,783 as estimated by the third party administrator and reported in the Hospitalization Reserve Fund (an Internal Service Fund) at December 31, 2010, 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 Fund's claims liability amount in 2010 were as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 127,086	\$ -
Incurred claims and changes in estimate	1,526,037	1,118,962
Claims payments	<u>(1,456,340)</u>	<u>(991,876)</u>
Unpaid claims, end of year	<u>\$ 196,783</u>	<u>\$ 127,086</u>

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## **For the Year Ended December 31, 2010**

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### **Note 14: Contingencies/Pending Litigation**

The City is currently involved in a variety of litigation. It is the opinion of the City's management that the ultimate settlement of such litigation will not result in a material adverse effect on the City's financial position and results of operations.

### **Note 15: Accountability**

There are deficits in the Fire Levy, Issue 24 Safety Levy, Police Pension, Fire Pension, COPS and Workers' Compensation Reserve Funds of \$(34,051), \$(10,209), \$(119,705), \$(188,904), \$(1,629) and \$(312,897), respectively, caused by the application of generally accepted accounting principles to these funds. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

### **Note 16: Change in Accounting Principles**

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes guidance on accounting and financial reporting requirements for intangible assets. The City does not own any intangible assets that qualify for recognition under the policy. The implementation of this Statement did not result in any change to the City's financial statements.

GASB Statement No. 53 establishes standards for accounting and financial reporting for derivative instruments entered into by the City and addresses the recognition, measurement, and disclosure of information regarding the derivative instruments. The City does not own any derivative instruments. The implementation of this Statement did not result in any change to the City's financial statements.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The City did not file for Chapter 9 bankruptcy. The implementation of this Statement did not result in any change to the City's financial statements.

# City of Bedford Heights, Ohio

Notes to the Basic Financial Statements (continued)

## For the Year Ended December 31, 2010

### Note 17: Fair Value Measurements

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the City uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions. These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the asset and are based on the best available information, which has been internally developed.

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the City has elected to not apply the provisions of topic 820, as discussed in paragraph 820-10-15-1A of the FASB ASC, no non-financial assets and liabilities, except for those items that are recognized or disclosed at fair value in an entity’s financial statements on a recurring basis.

Financial assets consisted of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>12/31/2010</u>
STAR Ohio	\$ 851,670	\$ -	\$ -	\$ 851,670
Sweep/Money Market Accounts	<u>2,233,224</u>	<u>-</u>	<u>-</u>	<u>2,233,224</u>
	<u>\$ 3,084,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,084,894</u>

### Note 18: Construction Commitments

The City has active construction projects as of December 31, 2010. As of December 31, 2010, the City’s construction commitments with contractors were as follows:

<u>Project</u>	<u>Project Expenditures as of 12/31/2010</u>	<u>Remaining Commitments</u>
Tertiary Project	\$ <u>22,781</u>	\$ <u>31,653</u>

### Note 19: Jointly Governed Organizations

*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 167 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.

## **City of Bedford Heights, Ohio**

Notes to the Basic Financial Statements (continued)

### **For the Year Ended December 31, 2010**

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#### **Note 19: Jointly Governed Organizations (continued)**

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 Heights did not contribute to NOPEC during 2010. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 20, Solon, Ohio 44139, telephone, 440-248-1992.

# City of Bedford Heights, Ohio

Combining Statements  
Non-Major Governmental Funds

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## Non-Major Special Revenue Funds

### *State Highway Improvement Fund*

Required by the Ohio Revised code to account for that portion of the state gasoline tax and motor vehicle registration fees designed for maintenance of state highways within the City.

### *Street Maintenance and Repair Fund*

Accounts for revenues from state license and gasoline taxes which must be used for the repair, maintenance and construction of City streets.

### *Safety Department Equipment Fund*

Accounts for an enterprise zoning charge to be used for the Police and Fire Departments to purchase safety equipment.

### *Police Pension Fund*

Accumulates property taxes levied for the payment of the current employer's pension contributions.

### *Fire Pension Fund*

Accumulates property taxes levied for the payment of the current employer's pension contributions.

### *Law Enforcement Trust Fund*

Accounts for the proceeds from items sold that are confiscated by the City of Bedford Heights Police Department. These proceeds are restricted to the purchasing of law enforcement equipment, supplies or training materials.

### *D.U.I. Enforcement and Education Fund*

Accounts for fines from D.U.I. convictions to be used for educating the public of laws governing the operation of motor vehicles.

### *Ambulance Service Fund*

Accounts for the proceeds received and payments made for ambulance services.

### *JAG Byrne Fund*

Accounts for the proceeds and disbursements of a federal grant used to control crime.

# City of Bedford Heights, Ohio

Combining Statements  
Non-Major Governmental Funds (continued)

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## **Non-Major Special Revenue Funds (continued)**

### *COPS Fund*

Accounts for the proceeds and disbursements of a federal grant used for community police programs.

### *Commissary Fund*

Accounts for the receipts in monies received from the inmates housed in the City's correction's facility for the purpose of purchasing commissary items.

### *Mayor's Court Computer Fund*

Accounts for Mayor's Court costs imposed to finance the computerization, acquisition and maintenance of legal research services for the Mayor's Court.

### *Local Law Enforcement Grant Fund*

Accounts for the proceeds and disbursements of a local grant used for the purchase of equipment for police personnel and vehicles.

### *Juvenile Community Diversion Fund*

Accounts for reimbursements received from Cuyahoga County Juvenile Court to promote and develop a community diversion program to address juvenile misdemeanor and status offenders.

### *Sobriety Checkpoint and Education Fund*

Accounts for Mayor's Court costs imposed to finance sobriety checkpoints throughout the City and the education of Police Officers regarding sobriety checkpoints.

### *Cable TV and Programming Fund*

Accounts for cable television franchise fees.

### *NOPEC Energy Grant Fund*

Accounts for grant money received to purchase more energy efficient equipment, to perform energy audits on industrial zone buildings and to fund weatherization programs for residents.

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# City of Bedford Heights, Ohio

## Combining Balance Sheet Non-Major Governmental Funds

**December 31, 2010**

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 363,256	\$ 37,921	\$ 401,177
Accounts receivable	7,542	-	7,542
Intergovernmental receivable	300,657	32,800	333,457
Supplies and materials inventory	95,966	-	95,966
Taxes receivable	<u>137,616</u>	<u>458,723</u>	<u>596,339</u>
 Total assets	 <u>\$ 905,037</u>	 <u>\$ 529,444</u>	 <u>\$ 1,434,481</u>
<b>Liabilities and fund balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 31,143	\$ -	\$ 31,143
Accrued wages and benefits	351,764	-	351,764
Intergovernmental payable	7,623	-	7,623
Deferred revenue	<u>358,682</u>	<u>491,525</u>	<u>850,207</u>
 Total liabilities	 <u>749,212</u>	 <u>491,525</u>	 <u>1,240,737</u>
<b>Fund balances:</b>			
Reserved for encumbrances	41,645	-	41,645
Reserved for inventory	95,966	-	95,966
Unreserved; undesignated	<u>18,214</u>	<u>37,919</u>	<u>56,133</u>
 Total fund balances	 <u>155,825</u>	 <u>37,919</u>	 <u>193,744</u>
 Total liabilities and fund balances	 <u>\$ 905,037</u>	 <u>\$ 529,444</u>	 <u>\$ 1,434,481</u>

# City of Bedford Heights, Ohio

## Combining Statement of Revenues, Expenditures, and Changes In Fund Balances Non-Major Governmental Funds

**For the Year Ended December 31, 2010**

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 145,198	\$ 483,994	\$ 629,192
Intergovernmental	739,782	109,525	849,307
Licenses and permits	13,191	-	13,191
Fines and forfeitures	3,065	-	3,065
Special assessment	-	31,000	31,000
Investment income	-	50	50
Miscellaneous income	218,526	-	218,526
Total revenues	<u>1,119,762</u>	<u>624,569</u>	<u>1,744,331</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,390,545	-	1,390,545
Basic utility services	4,000	-	4,000
Transportation	857,526	-	857,526
General government	22,023	-	22,023
Principal retirement	123,081	646,950	770,031
Interest and fiscal charges	25,104	160,622	185,726
Total expenditures	<u>2,422,279</u>	<u>807,572</u>	<u>3,229,851</u>
Excess of revenues over (under) expenditures	<u>(1,302,517)</u>	<u>(183,003)</u>	<u>(1,485,520)</u>
Other financing sources (uses):			
Transfers – in	1,091,000	80,000	1,171,000
Transfers – out	(80,000)	-	(80,000)
Total other financing sources (uses)	<u>1,011,000</u>	<u>80,000</u>	<u>1,091,000</u>
Net change in fund balances	(291,517)	(103,003)	(394,520)
Fund balances at beginning of year	<u>447,342</u>	<u>140,922</u>	<u>588,264</u>
Fund balances at end of year	\$ <u>155,825</u>	\$ <u>37,919</u>	\$ <u>193,744</u>

# City of Bedford Heights, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2010**

	State Highway <u>Improvement</u>	Street Maintenance & <u>Repair</u>	Safety Department <u>Equipment</u>	Police <u>Pension</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 15,848	\$ 65,274	\$ 43,486	\$ 13,318
Accounts receivable	-	-	-	-
Intergovernmental receivable	21,319	268,786	-	5,276
Supplies and materials inventory	-	95,966	-	-
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,808</u>
Total assets	\$ <u>37,167</u>	\$ <u>430,026</u>	\$ <u>43,486</u>	\$ <u>87,402</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 8,060	\$ -	\$ -
Accrued wages and benefits	-	21,049	-	133,024
Intergovernmental payable	-	6,082	-	-
Deferred revenue	<u>15,789</u>	<u>194,727</u>	<u>-</u>	<u>74,083</u>
Total liabilities	<u>15,789</u>	<u>229,918</u>	<u>-</u>	<u>207,107</u>
<b>Fund balances:</b>				
Reserved for encumbrances	1,345	22,595	-	-
Reserved for inventory	-	95,966	-	-
Unreserved (deficit); undesignated	<u>20,033</u>	<u>81,547</u>	<u>43,486</u>	<u>(119,705)</u>
Total fund balances (deficit)	<u>21,378</u>	<u>200,108</u>	<u>43,486</u>	<u>(119,705)</u>
Total liabilities and fund balances	\$ <u>37,167</u>	\$ <u>430,026</u>	\$ <u>43,486</u>	\$ <u>87,402</u>

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<u>Fire Pension</u>	<u>Law Enforcement Trust</u>	<u>DUI Enforcement &amp; Education</u>	<u>Ambulance Service</u>	<u>JAG Byrne Grant</u>	<u>COPS</u>
\$ 7,710	\$ 2,544	\$ 2,340	\$ 23,866	\$ 1,339	\$ 796
-	-	100	-	-	-
5,276	-	-	-	-	-
-	-	-	-	-	-
<u>68,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>81,794</u>	\$ <u>2,544</u>	\$ <u>2,440</u>	\$ <u>23,866</u>	\$ <u>1,339</u>	\$ <u>796</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
196,615	-	-	-	-	1,076
-	-	-	-	188	1,349
<u>74,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>270,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188</u>	<u>2,425</u>
-	-	-	1,800	-	-
-	-	-	-	-	-
<u>(188,904)</u>	<u>2,544</u>	<u>2,440</u>	<u>22,066</u>	<u>1,151</u>	<u>(1,629)</u>
<u>(188,904)</u>	<u>2,544</u>	<u>2,440</u>	<u>23,866</u>	<u>1,151</u>	<u>(1,629)</u>
\$ <u>81,794</u>	\$ <u>2,544</u>	\$ <u>2,440</u>	\$ <u>23,866</u>	\$ <u>1,339</u>	\$ <u>796</u>

(continued)

# City of Bedford Heights, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds (Continued)

**December 31, 2010**

	<u>Commissary</u>	<u>Mayor's Court Computer</u>	<u>Local Law Enforcement Grant</u>	<u>Juvenile Community Diversion</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 103,476	\$ 10,255	\$ -	\$ 6,565
Accounts receivable	-	85	-	-
Intergovernmental receivable	-	-	-	-
Supplies and materials inventory	-	-	-	-
Taxes receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>103,476</u>	\$ <u>10,340</u>	\$ <u>-</u>	\$ <u>6,565</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,583	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	4
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,583</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>Fund balances:</b>				
Reserved for encumbrances	2,105	-	-	-
Reserved for inventory	-	-	-	-
Unreserved (deficit); undesignated	<u>97,788</u>	<u>10,340</u>	<u>-</u>	<u>6,561</u>
Total fund balances (deficit)	<u>99,893</u>	<u>10,340</u>	<u>-</u>	<u>6,561</u>
Total liabilities and fund balances	\$ <u>103,476</u>	\$ <u>10,340</u>	\$ <u>-</u>	\$ <u>6,565</u>

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<u>Sobriety Checkpoint and Education</u>	<u>Cable TV and Programming</u>	<u>NOPEC Energy Grant</u>	<u>Total</u>
\$ 68	\$ 31,871	\$ 34,500	\$ 363,256
-	7,357	-	7,542
-	-	-	300,657
-	-	-	95,966
<u>-</u>	<u>-</u>	<u>-</u>	<u>137,616</u>
<u>\$ 68</u>	<u>\$ 39,228</u>	<u>\$ 34,500</u>	<u>\$ 905,037</u>
\$ -	\$ -	\$ 19,500	\$ 31,143
-	-	-	351,764
-	-	-	7,623
<u>-</u>	<u>-</u>	<u>-</u>	<u>358,682</u>
<u>-</u>	<u>-</u>	<u>19,500</u>	<u>749,212</u>
-	-	13,800	41,645
-	-	-	95,966
<u>68</u>	<u>39,228</u>	<u>1,200</u>	<u>18,214</u>
<u>68</u>	<u>39,228</u>	<u>15,000</u>	<u>155,825</u>
<u>\$ 68</u>	<u>\$ 39,228</u>	<u>\$ 34,500</u>	<u>\$ 905,037</u>

# City of Bedford Heights, Ohio

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Special Revenue Funds

### For the Year Ended December 31, 2010

	State Highway <u>Improvement</u>	Street Maintenance & <u>Repair</u>	Safety Department <u>Equipment</u>	Police <u>Pension</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 72,599
Intergovernmental	42,317	570,898	-	19,328
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous income	<u>-</u>	<u>16,270</u>	<u>20,000</u>	<u>-</u>
Total revenues	<u>42,317</u>	<u>587,168</u>	<u>20,000</u>	<u>91,927</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	-	-	127	473,008
Basic utility services	-	-	-	-
Transportation	111,746	745,780	-	-
General government	-	-	-	-
Principal retirement	-	51,996	-	-
Interest and fiscal charges	<u>-</u>	<u>3,344</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>111,746</u>	<u>801,120</u>	<u>127</u>	<u>473,008</u>
Excess of revenues (under) expenditures	<u>(69,429)</u>	<u>(213,952)</u>	<u>19,873</u>	<u>(381,081)</u>
Other financing sources (uses):				
Transfers – in	-	220,000	-	390,000
Transfers – out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>390,000</u>
Net change in fund balances	(69,429)	6,048	19,873	8,919
Fund balances (deficit) at beginning of year	<u>90,807</u>	<u>194,060</u>	<u>23,613</u>	<u>(128,624)</u>
Fund balances (deficit) at end of year	\$ <u><u>21,378</u></u>	\$ <u><u>200,108</u></u>	\$ <u><u>43,486</u></u>	\$ <u><u>(119,705)</u></u>

<u>Fire Pension</u>	<u>Law Enforcement Trust</u>	<u>DUI Enforcement &amp; Education</u>	<u>Ambulance Service</u>	<u>JAG Byrne Grant</u>	<u>COPS</u>
\$ 72,599	\$ -	\$ -	\$ -	\$ -	\$ -
19,328	-	-	-	-	49,411
-	-	-	-	-	-
-	-	515	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>91,927</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>49,411</u>
535,578	-	-	79,030	10,691	94,826
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	71,085	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,760</u>	<u>-</u>	<u>-</u>
<u>535,578</u>	<u>-</u>	<u>-</u>	<u>171,875</u>	<u>10,691</u>	<u>94,826</u>
<u>(443,651)</u>	<u>-</u>	<u>515</u>	<u>(171,875)</u>	<u>(10,691)</u>	<u>(45,415)</u>
441,000	-	-	-	-	40,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
<u>441,000</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>	<u>40,000</u>
(2,651)	-	515	(251,875)	(10,691)	(5,415)
<u>(186,253)</u>	<u>2,544</u>	<u>1,925</u>	<u>275,741</u>	<u>11,842</u>	<u>3,786</u>
\$ <u>(188,904)</u>	\$ <u>2,544</u>	\$ <u>2,440</u>	\$ <u>23,866</u>	\$ <u>1,151</u>	\$ <u>(1,629)</u>

(continued)

# City of Bedford Heights, Ohio

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Special Revenue Funds (Continued)

### For the Year Ended December 31, 2010

	<u>Commissary</u>	<u>Mayor's Court Computer</u>	<u>Local Law Enforcement Grant</u>	<u>Juvenile Community Diversion</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	2,550	-	-
Miscellaneous income	<u>177,981</u>	<u>-</u>	<u>-</u>	<u>4,275</u>
Total revenues	<u>177,981</u>	<u>2,550</u>	<u>-</u>	<u>4,275</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	169,986	-	7,523	276
Basic utility services	-	-	-	-
Transportation	-	-	-	-
General government	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>169,986</u>	<u>-</u>	<u>7,523</u>	<u>276</u>
Excess of revenues (under) expenditures	<u>7,995</u>	<u>2,550</u>	<u>(7,523)</u>	<u>3,999</u>
Other financing sources (uses):				
Transfers – in	-	-	-	-
Transfers – out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,995	2,550	(7,523)	3,999
Fund balances (deficit) at beginning of year	<u>91,898</u>	<u>7,790</u>	<u>7,523</u>	<u>2,562</u>
Fund balances (deficit) at end of year	\$ <u><u>99,893</u></u>	\$ <u><u>10,340</u></u>	\$ <u><u>-</u></u>	\$ <u><u>6,561</u></u>

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<u>Sobriety Checkpoint and Education</u>	<u>Cable TV and Programming</u>	<u>NOPEC Energy Grant</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 145,198
-	-	38,500	739,782
-	13,191	-	13,191
-	-	-	3,065
-	-	-	<u>218,526</u>
<u>-</u>	<u>13,191</u>	<u>38,500</u>	<u>1,119,762</u>
-	-	19,500	1,390,545
-	-	4,000	4,000
-	-	-	857,526
50	21,973	-	22,023
-	-	-	123,081
-	-	-	<u>25,104</u>
<u>50</u>	<u>21,973</u>	<u>23,500</u>	<u>2,422,279</u>
<u>(50)</u>	<u>(8,782)</u>	<u>15,000</u>	<u>(1,302,517)</u>
-	-	-	1,091,000
-	-	-	<u>(80,000)</u>
-	-	-	<u>1,011,000</u>
(50)	(8,782)	15,000	(291,517)
<u>118</u>	<u>48,010</u>	<u>-</u>	<u>447,342</u>
\$ <u><u>68</u></u>	\$ <u><u>39,228</u></u>	\$ <u><u>15,000</u></u>	\$ <u><u>155,825</u></u>

**Individual Fund  
Schedules of Revenues, Expenditures/Expense and  
Changes in Fund Balances/Equity -  
Budget (Non – GAAP Budgetary Basis) and Actual**

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 1,180,000	\$ 1,391,000	\$ 1,422,955	\$ 31,955
Municipal income taxes	7,335,000	7,341,000	7,340,182	(818)
Other local taxes	-	32,000	-	(32,000)
Intergovernmental	983,431	985,371	986,018	647
Charges for services	2,485,076	2,501,605	2,592,680	91,075
Licenses and permits	382,350	413,318	415,991	2,673
Fines and forfeitures	164,000	175,000	173,681	(1,319)
Investment income	30,000	2,100	2,124	24
Miscellaneous income	<u>178,200</u>	<u>206,882</u>	<u>224,974</u>	<u>18,092</u>
Total revenues	<u>12,738,057</u>	<u>13,048,276</u>	<u>13,158,605</u>	<u>110,329</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Personal service	2,994,050	3,080,140	3,060,716	19,424
Travel and education	38,500	25,050	24,130	920
Contractual services	68,900	59,900	58,644	1,256
Supplies and materials	132,000	157,500	151,125	6,375
Other expenditures	<u>400</u>	<u>400</u>	<u>81</u>	<u>319</u>
Total police law enforcement	<u>3,233,850</u>	<u>3,322,990</u>	<u>3,294,696</u>	<u>28,294</u>
Corrections facility				
Personal service	1,258,530	1,627,580	1,613,473	14,107
Travel and education	3,500	3,000	1,122	1,878
Contractual services	422,700	435,515	418,897	16,618
Supplies and materials	68,200	74,445	68,393	6,052
Other expenditures	<u>-</u>	<u>50</u>	<u>47</u>	<u>3</u>
Total corrections facility	<u>1,752,930</u>	<u>2,140,590</u>	<u>2,101,932</u>	<u>38,658</u>
Police and fire communications				
Personal service	476,050	494,920	492,966	1,954
Travel and education	700	700	86	614
Contractual services	200	200	176	24
Supplies and materials	<u>500</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total police and fire communications	<u>477,450</u>	<u>495,920</u>	<u>493,228</u>	<u>2,692</u>
Animal control				
Contractual services	<u>27,000</u>	<u>27,638</u>	<u>27,638</u>	<u>-</u>

(continued)

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (Continued)

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Safety director				
Personal service	<u>119,990</u>	<u>120,165</u>	<u>119,178</u>	<u>987</u>
Street lighting				
Contractual services	<u>105,000</u>	<u>107,335</u>	<u>105,927</u>	<u>1,408</u>
Traffic lights				
Personal service	<u>21,312</u>	<u>21,340</u>	<u>20,746</u>	<u>594</u>
Total security of persons and property	<u>5,737,532</u>	<u>6,235,978</u>	<u>6,163,345</u>	<u>72,633</u>
Public health and welfare				
Assistance to the needy and aged				
Personal service	181,811	189,955	184,672	5,283
Travel and education	115	115	-	115
Contractual services	135,100	118,100	103,389	14,711
Supplies and materials	<u>25,100</u>	<u>27,300</u>	<u>21,564</u>	<u>5,736</u>
Total assistance to the needy and aged	<u>342,126</u>	<u>335,470</u>	<u>309,625</u>	<u>25,845</u>
County health board				
Contractual services	<u>42,100</u>	<u>42,100</u>	<u>42,088</u>	<u>12</u>
Total public health and welfare	<u>384,226</u>	<u>377,570</u>	<u>351,713</u>	<u>25,857</u>
Leisure time activities				
Swimming facilities				
Personal service	19,458	985	933	52
Contractual services	184,712	210,021	209,205	816
Supplies and materials	22,000	8,300	3,842	4,458
Other expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total swimming facilities	<u>226,270</u>	<u>219,406</u>	<u>213,980</u>	<u>5,426</u>
Community center				
Personal service	466,225	461,965	446,944	15,021
Travel and education	2,443	2,443	389	2,054
Contractual services	214,300	241,500	224,443	17,057
Supplies and materials	53,500	63,300	62,341	959
Other expenditures	<u>8,100</u>	<u>10,300</u>	<u>10,118</u>	<u>182</u>
Total community center	<u>744,568</u>	<u>779,508</u>	<u>744,235</u>	<u>35,273</u>

(continued)

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (Continued)

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and playgrounds				
Personal service	18,320	38,953	38,803	150
Contractual services	500	350	102	248
Supplies and materials	10,800	9,800	9,402	398
Other expenditures	-	3,000	2,948	52
Total parks and playgrounds	<u>29,620</u>	<u>52,103</u>	<u>51,255</u>	<u>848</u>
Public recreation				
Personal service	144,790	107,977	105,463	2,514
Travel and education	200	305	305	-
Contractual services	28,358	8,300	6,551	1,749
Supplies and materials	38,450	25,866	25,148	718
Other expenditures	22,809	1,945	1,905	40
Total public recreation	<u>234,607</u>	<u>144,393</u>	<u>139,372</u>	<u>5,021</u>
Total leisure time activities	<u>1,235,065</u>	<u>1,195,410</u>	<u>1,148,842</u>	<u>46,568</u>
Community development				
Building department				
Personal service	275,635	279,505	276,845	2,660
Travel and education	1,300	760	270	490
Contractual services	12,400	9,187	8,042	1,145
Supplies and materials	4,950	4,300	3,146	1,154
Total building department	<u>294,285</u>	<u>293,752</u>	<u>288,303</u>	<u>5,449</u>
Planning commission				
Personal service	4,413	3,420	2,837	583
Travel and education	-	255	255	-
Supplies and materials	75	75	41	34
Total planning commission	<u>4,488</u>	<u>3,750</u>	<u>3,133</u>	<u>617</u>
Housing department				
Personal service	64,045	64,855	63,868	987
Travel and education	1,200	980	793	187
Contractual services	1,150	1,150	135	1,015
Supplies and materials	1,700	780	771	9
Total housing department	<u>68,095</u>	<u>67,765</u>	<u>65,567</u>	<u>2,198</u>
Board of zoning appeals				
Personal service	4,442	2,650	1,673	977
Total community development	<u>371,310</u>	<u>367,917</u>	<u>358,676</u>	<u>9,241</u>

(continued)

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (Continued)

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic utility services				
Service director				
Personal service	195,066	193,031	189,208	3,823
Travel and education	3,501	4,205	3,062	1,143
Contractual services	1,100	900	350	550
Supplies and materials	1,400	1,400	-	1,400
Other expenditures	1,000	1,000	428	572
Total service director	<u>202,067</u>	<u>200,536</u>	<u>193,048</u>	<u>7,488</u>
Sanitary sewers and sewage disposal				
Personal service	38,885	47,380	45,138	2,242
Contractual services	2,500	1,000	634	366
Supplies and materials	6,400	6,400	5,290	1,110
Total sanitary sewers and sewage disposal	<u>47,785</u>	<u>54,780</u>	<u>51,062</u>	<u>3,718</u>
Storm sewers and drains				
Personal service	2,444	7,865	7,671	194
Travel and education	7,200	8,300	5,868	2,432
Contractual services	1,000	3,300	3,250	50
Total storm sewers and drains	<u>10,644</u>	<u>19,465</u>	<u>16,789</u>	<u>2,676</u>
Refuse collection and disposal				
Contractual services	433,000	418,000	412,061	5,939
Total basic utility services	<u>693,496</u>	<u>692,781</u>	<u>672,960</u>	<u>19,821</u>
General government				
Mayor's court				
Personal service	79,234	79,990	77,623	2,367
Travel and education	500	500	-	500
Contractual services	100,000	121,725	120,702	1,023
Supplies and materials	600	5,500	5,318	182
Total mayor's court	<u>180,334</u>	<u>207,715</u>	<u>203,643</u>	<u>4,072</u>
Civil service commission				
Personal service	7,406	7,416	7,390	26
Travel and education	500	500	-	500
Contractual services	15,500	20,000	19,315	685
Supplies and materials	900	900	-	900
Total civil service commission	<u>24,306</u>	<u>28,816</u>	<u>26,705</u>	<u>2,111</u>

(continued)

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (Continued)

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's office				
Personal service	145,300	146,295	145,767	528
Travel and education	4,600	4,300	4,007	293
Contractual services	12,300	5,000	4,158	842
Supplies and materials	5,100	5,775	5,685	90
Other expenditures	<u>1,250</u>	<u>1,125</u>	<u>523</u>	<u>602</u>
Total mayor's office	<u>168,550</u>	<u>162,495</u>	<u>160,140</u>	<u>2,355</u>
Legal administration				
Personal service	299,705	306,260	305,729	531
Travel and education	1,600	3,200	2,632	568
Contractual services	14,800	11,750	11,546	204
Supplies and materials	<u>1,300</u>	<u>1,450</u>	<u>1,426</u>	<u>24</u>
Total legal administration	<u>317,405</u>	<u>322,660</u>	<u>321,333</u>	<u>1,327</u>
Finance administration				
Personal service	397,300	348,860	344,545	4,315
Travel and education	3,950	4,420	2,992	1,428
Contractual services	10,000	20,300	19,778	522
Supplies and materials	6,500	9,050	8,698	352
Other expenditures	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total finance administration	<u>418,750</u>	<u>382,630</u>	<u>376,013</u>	<u>6,617</u>
Legislative activities				
Personal service	228,700	230,425	224,389	6,036
Travel and education	28,000	7,000	4,494	2,506
Contractual services	32,900	33,900	31,334	2,566
Supplies and materials	<u>4,000</u>	<u>6,900</u>	<u>6,841</u>	<u>59</u>
Total legislative activities	<u>293,600</u>	<u>278,225</u>	<u>267,058</u>	<u>11,167</u>
Labor relations				
Contractual services	<u>60,000</u>	<u>48,000</u>	<u>47,625</u>	<u>375</u>
Engineering				
Personal service	43,860	43,905	43,430	475
Supplies and materials	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Total engineering	<u>44,160</u>	<u>44,205</u>	<u>43,730</u>	<u>475</u>

(continued)

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (Continued)

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Land and buildings				
Personal service	736,541	758,015	748,219	9,796
Contractual services	417,400	430,450	427,715	2,735
Supplies and materials	72,000	62,630	61,002	1,628
Total land and buildings	<u>1,225,941</u>	<u>1,251,095</u>	<u>1,236,936</u>	<u>14,159</u>
Tax department				
Contractual services	<u>225,000</u>	<u>239,000</u>	<u>238,277</u>	<u>723</u>
Other general government				
Personal service	141,506	145,880	143,360	2,520
Travel and education	1,600	530	373	157
Contractual services	131,050	227,160	215,397	11,763
Supplies and materials	12,400	20,415	19,330	1,085
Other expenditures	91,200	149,200	144,089	5,111
Total other general government	<u>377,756</u>	<u>543,185</u>	<u>522,549</u>	<u>20,636</u>
Total general government	<u>3,335,802</u>	<u>3,508,026</u>	<u>3,444,009</u>	<u>64,017</u>
Capital outlay:				
Miscellaneous equipment	<u>14,500</u>	<u>20,000</u>	<u>19,442</u>	<u>558</u>
Total expenditures	<u>11,771,931</u>	<u>12,397,682</u>	<u>12,158,987</u>	<u>238,695</u>
Excess of revenues over (under) expenditures	966,126	650,594	999,618	349,024
Other financing sources (uses):				
Transfers – out	<u>(2,689,000)</u>	<u>(2,716,000)</u>	<u>(2,716,000)</u>	<u>-</u>
Net change in fund balance	(1,722,874)	(2,065,406)	(1,716,382)	349,024
Fund balance at beginning of year	3,789,126	3,789,126	3,789,126	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>66,822</u>	<u>66,822</u>
Fund balance at end of year	\$ <u>2,066,252</u>	\$ <u>1,723,720</u>	\$ <u>2,139,566</u>	\$ <u>415,846</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Levy Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 665,000	\$ 725,000	\$ 725,993	\$ 993
Intergovernmental	193,279	392,179	372,880	(19,299)
Charges for services	265,000	240,000	241,576	1,576
Miscellaneous income	<u>20,500</u>	<u>17,300</u>	<u>16,669</u>	<u>(631)</u>
Total revenues	<u>1,143,779</u>	<u>1,374,479</u>	<u>1,357,118</u>	<u>(17,361)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fire fighting, prevention and inspection				
Personal service	2,684,100	2,772,125	2,751,918	20,207
Travel and education	9,900	7,300	7,252	48
Contractual services	13,000	11,500	8,456	3,044
Supplies and materials	46,450	49,250	46,309	2,941
Other expenditures	<u>15,000</u>	<u>176,500</u>	<u>175,545</u>	<u>955</u>
Total expenditures	<u>2,768,450</u>	<u>3,016,675</u>	<u>2,989,480</u>	<u>27,195</u>
Excess of revenues over (under) expenditures	(1,624,671)	(1,642,196)	(1,632,362)	9,834
Other financing sources (uses):				
Transfers – in	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,625,000</u>	<u>-</u>
Net change in fund balance	329	(17,196)	(7,362)	9,834
Fund balance at beginning of year	23,471	23,471	23,471	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>3,136</u>	<u>3,136</u>
Fund balance at end of year	\$ <u>23,800</u>	\$ <u>6,275</u>	\$ <u>19,245</u>	\$ <u>12,970</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Capital Improvements Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 437,000	\$ 505,000	\$ 483,995	\$ (21,005)
Intergovernmental	198,853	289,853	280,958	(8,895)
Investment income	1,600	1,500	249	(1,251)
Miscellaneous income	<u>5,000</u>	<u>17,000</u>	<u>52,032</u>	<u>35,032</u>
Total revenues	<u>642,453</u>	<u>813,353</u>	<u>817,234</u>	<u>3,881</u>
<b>Expenditures:</b>				
Current operations and maintenance:				
Leisure time activities				
Community center				
Contractual services	<u>36,000</u>	<u>123,000</u>	<u>114,483</u>	<u>8,517</u>
Basic utility services				
Storm sewers				
Contractual services	<u>-</u>	<u>98,000</u>	<u>96,203</u>	<u>1,797</u>
Transportation				
Sidewalks				
Contractual services	<u>-</u>	<u>425,000</u>	<u>417,209</u>	<u>7,791</u>
General government				
Land and buildings				
Contractual services	<u>-</u>	<u>26,240</u>	<u>25,132</u>	<u>1,108</u>
Capital outlay:				
Street paving and repair	700,000	322,000	320,814	1,186
Miscellaneous equipment	39,500	5,000	-	5,000
Land purchases	2,000	35,074	32,344	2,730
Transportation	<u>92,800</u>	<u>45,800</u>	<u>37,734</u>	<u>8,066</u>
Total capital outlay	<u>834,300</u>	<u>407,874</u>	<u>390,892</u>	<u>16,982</u>
Debt Service:				
Principal retirement	<u>-</u>	<u>7,000</u>	<u>6,218</u>	<u>782</u>
Total expenditures	<u>870,300</u>	<u>1,087,114</u>	<u>1,050,137</u>	<u>36,977</u>
Net change in fund balance	(227,847)	(273,761)	(232,903)	40,858
Fund balance at beginning of year	519,586	519,586	519,586	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>137,218</u>	<u>137,218</u>
Fund balance at end of year	\$ <u>291,739</u>	\$ <u>245,825</u>	\$ <u>423,901</u>	\$ <u>178,076</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – State Highway Improvement Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>45,000</u>	\$ <u>45,000</u>	\$ <u>42,183</u>	\$ <u>(2,817)</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street construction, maintenance and repair				
Contractual services	110,000	100,000	100,000	-
Snow and ice removal				
Supplies and materials	<u>15,000</u>	<u>15,000</u>	<u>13,091</u>	<u>1,909</u>
Total expenditures	<u>125,000</u>	<u>115,000</u>	<u>113,091</u>	<u>1,909</u>
Net change in fund balance	(80,000)	(70,000)	(70,908)	(908)
Fund balance at beginning of year	85,411	85,411	85,411	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>1,345</u>	<u>1,345</u>
Fund balance at end of year	\$ <u><u>5,411</u></u>	\$ <u><u>15,411</u></u>	\$ <u><u>15,848</u></u>	\$ <u><u>437</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Street Maintenance and Repair Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 595,000	\$ 595,000	\$ 569,920	\$ (25,080)
Miscellaneous income	<u>17,000</u>	<u>17,000</u>	<u>26,969</u>	<u>9,969</u>
Total revenues	<u>612,000</u>	<u>612,000</u>	<u>596,889</u>	<u>(15,111)</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Traffic control				
Personal service	79,125	88,370	85,631	2,739
Contractual services	32,326	24,330	18,661	5,669
Supplies and materials	<u>5,200</u>	<u>5,200</u>	<u>2,228</u>	<u>2,972</u>
Total traffic control	<u>116,651</u>	<u>117,900</u>	<u>106,520</u>	<u>11,380</u>
Street construction, maintenance and repair				
Personal service	283,524	280,600	264,385	16,215
Contractual services	80,200	70,700	68,478	2,222
Supplies and materials	<u>84,800</u>	<u>91,700</u>	<u>87,513</u>	<u>4,187</u>
Total street construction, maintenance and repair	<u>448,524</u>	<u>443,000</u>	<u>420,376</u>	<u>22,624</u>
Snow and ice removal				
Personal service	80,990	116,515	109,466	7,049
Contractual services	10,000	7,000	4,306	2,694
Supplies and materials	127,441	207,500	205,700	1,800
Other expenditures	<u>6,000</u>	<u>5,000</u>	<u>2,000</u>	<u>3,000</u>
Total snow and ice removal	<u>224,431</u>	<u>336,015</u>	<u>321,472</u>	<u>14,543</u>
Total expenditures	<u>789,606</u>	<u>896,915</u>	<u>848,368</u>	<u>48,547</u>
Excess of revenues over (under) expenditures	<u>(177,606)</u>	<u>(284,915)</u>	<u>(251,479)</u>	<u>33,436</u>
Other financing sources (uses):				
Sale of equipment	2,500	2,500	-	(2,500)
Transfers – in	<u>130,000</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Total other financing sources (uses)	<u>132,500</u>	<u>222,500</u>	<u>220,000</u>	<u>(2,500)</u>
Net change in fund balance	(45,106)	(62,415)	(31,479)	30,936
Fund balance at beginning of year	66,358	66,358	66,358	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>30,395</u>	<u>30,395</u>
Fund balance at end of year	\$ <u>21,252</u>	\$ <u>3,943</u>	\$ <u>65,274</u>	\$ <u>61,331</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Safety Department Equipment Fund

### For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous income	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Contractual services	<u>30,000</u>	<u>30,000</u>	<u>127</u>	<u>29,873</u>
Net change in fund balance	(10,000)	(10,000)	19,873	29,873
Fund balance at beginning of year	<u>23,613</u>	<u>23,613</u>	<u>23,613</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>13,613</u></u>	\$ <u><u>13,613</u></u>	\$ <u><u>43,486</u></u>	\$ <u><u>29,873</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Police Pension Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 65,700	\$ 75,000	\$ 72,599	\$ (2,401)
Intergovernmental	<u>19,328</u>	<u>19,328</u>	<u>19,328</u>	<u>-</u>
Total revenues	85,028	94,328	91,927	(2,401)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Personal service	<u>485,000</u>	<u>485,000</u>	<u>482,534</u>	<u>2,466</u>
Excess of revenues over (under) expenditures	(399,972)	(390,672)	(390,607)	65
Other financing sources (uses):				
Transfers – in	<u>390,000</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>
Net change in fund balance	(9,972)	(672)	(607)	65
Fund balance at beginning of year	<u>13,925</u>	<u>13,925</u>	<u>13,925</u>	<u>-</u>
Fund balance at end of year	\$ <u>3,953</u>	\$ <u>13,253</u>	\$ <u>13,318</u>	\$ <u>65</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Fire Pension Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 65,700	\$ 75,000	\$ 72,599	\$ (2,401)
Intergovernmental	<u>19,328</u>	<u>19,328</u>	<u>19,328</u>	<u>-</u>
Total revenues	85,028	94,328	91,927	(2,401)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Fire fighting, prevention and inspection				
Personal service	<u>527,000</u>	<u>528,000</u>	<u>526,689</u>	<u>1,311</u>
Excess of revenues over (under) expenditures	(441,972)	(433,672)	(434,762)	(1,090)
Other financing sources (uses):				
Transfers – in	<u>441,000</u>	<u>441,000</u>	<u>441,000</u>	<u>-</u>
Net change in fund balance	(972)	7,328	6,238	(1,090)
Fund balance at beginning of year	<u>1,472</u>	<u>1,472</u>	<u>1,472</u>	<u>-</u>
Fund balance at end of year	\$ <u>500</u>	\$ <u>8,800</u>	\$ <u>7,710</u>	\$ <u>(1,090)</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Law Enforcement Trust Fund

### For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Contractual services	\$ <u>26</u>	\$ <u>26</u>	\$ <u>-</u>	\$ <u>26</u>
Net change in fund balance	(26)	(26)	-	26
Fund balance at beginning of year	<u>2,544</u>	<u>2,544</u>	<u>2,544</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>2,518</u></u>	\$ <u><u>2,518</u></u>	\$ <u><u>2,544</u></u>	\$ <u><u>26</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – DUI Enforcement and Education Fund

### For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 415	\$ (1,585)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Travel and education	<u>2,250</u>	<u>2,250</u>	<u>-</u>	<u>2,250</u>
Net change in fund balance	(250)	(250)	415	665
Fund balance at beginning of year	<u>1,925</u>	<u>1,925</u>	<u>1,925</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1,675</u></u>	\$ <u><u>1,675</u></u>	\$ <u><u>2,340</u></u>	\$ <u><u>665</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Ambulance Service Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Contractual services	\$ 118,000	\$ 114,000	\$ 113,016	\$ 984
Other expenditures	<u>46,000</u>	<u>31,000</u>	<u>28,918</u>	<u>2,082</u>
Total expenditures	<u>164,000</u>	<u>145,000</u>	<u>141,934</u>	<u>3,066</u>
Excess of revenues over (under) expenditures	(164,000)	(145,000)	(141,934)	3,066
Other financing sources (uses):				
Transfers – out	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Net change in fund balance	(244,000)	(225,000)	(221,934)	3,066
Fund balance at beginning of year	244,000	244,000	244,000	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,800</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>19,000</u>	\$ <u>23,866</u>	\$ <u>4,866</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – JAG Byrne Fund

### For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Personal services	\$ <u>      -</u>	\$ <u>  11,000</u>	\$ <u>  10,722</u>	\$ <u>      278</u>
Net change in fund balance	-	(11,000)	(10,722)	278
Fund balance at beginning of year	<u>  12,061</u>	<u>  12,061</u>	<u>  12,061</u>	<u>      -</u>
Fund balance at end of year	\$ <u><u>  12,061</u></u>	\$ <u><u>   1,061</u></u>	\$ <u><u>  1,339</u></u>	\$ <u><u>   278</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – COPS Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 48,000	\$ 49,425	\$ 49,411	\$ (14)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Personal service	<u>93,540</u>	<u>95,440</u>	<u>94,647</u>	<u>793</u>
Excess of revenues over (under) expenditures	(45,540)	(46,015)	(45,236)	779
Other financing sources (uses):				
Transfers – in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	(5,540)	(6,015)	(5,236)	779
Fund balance at beginning of year	<u>6,032</u>	<u>6,032</u>	<u>6,032</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>492</u></u>	\$ <u><u>17</u></u>	\$ <u><u>796</u></u>	\$ <u><u>779</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Commissary Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous income	\$ <u>189,000</u>	\$ <u>180,000</u>	\$ <u>177,981</u>	\$ <u>(2,019)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Support of prisoners				
Supplies and materials	89,000	69,000	60,780	8,220
Other expenditures	<u>150,000</u>	<u>150,000</u>	<u>115,117</u>	<u>34,883</u>
Total expenditures	<u>239,000</u>	<u>219,000</u>	<u>175,897</u>	<u>43,103</u>
Net change in fund balance	(50,000)	(39,000)	2,084	41,084
Fund balance at beginning of year	95,704	95,704	95,704	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>5,688</u>	<u>5,688</u>
Fund balance at end of year	\$ <u>45,704</u>	\$ <u>56,704</u>	\$ <u>103,476</u>	\$ <u>46,772</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Mayor’s Court Computer Fund

### For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 2,720	\$ (280)
Expenditures:				
Current operations and maintenance:				
General government				
Mayor’s court				
Contractual services	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Net change in fund balance	(500)	(500)	2,720	3,220
Fund balance at beginning of year	<u>7,535</u>	<u>7,535</u>	<u>7,535</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>7,035</u></u>	\$ <u><u>7,035</u></u>	\$ <u><u>10,255</u></u>	\$ <u><u>3,220</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Local Law Enforcement Grant Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police law enforcement				
Contractual services	\$ 339	\$ 7,523	\$ 7,523	\$ -
Net change in fund balance	(339)	(7,523)	(7,523)	-
Fund balance at beginning of year	7,523	7,523	7,523	-
Fund balance at end of year	\$ 7,184	\$ -	\$ -	\$ -

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Juvenile Community Diversion Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous income	\$ <u>7,500</u>	\$ <u>4,275</u>	\$ <u>4,275</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Miscellaneous				
Personal service	3,345	440	213	227
Travel and education	1,635	100	62	38
Supplies and materials	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,980</u>	<u>540</u>	<u>275</u>	<u>265</u>
Net change in fund balance	(480)	3,735	4,000	265
Fund balance at beginning of year	<u>2,565</u>	<u>2,565</u>	<u>2,565</u>	<u>-</u>
Fund balance at end of year	\$ <u>2,085</u>	\$ <u>6,300</u>	\$ <u>6,565</u>	\$ <u>265</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Sobriety Checkpoint and Education Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 400	\$ 400	\$ -	\$ (400)
Expenditures:				
Current operations and maintenance:				
General government				
Miscellaneous				
Supplies and materials	<u>500</u>	<u>500</u>	<u>50</u>	<u>450</u>
Net change in fund balance	(100)	(100)	(50)	50
Fund balance at beginning of year	<u>118</u>	<u>118</u>	<u>118</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>18</u></u>	\$ <u><u>18</u></u>	\$ <u><u>68</u></u>	\$ <u><u>50</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Cable TV and Programming Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 32,000	\$ 37,000	\$ 37,072	\$ 72
Expenditures:				
Current operations and maintenance:				
General government				
Miscellaneous				
Contractual services	<u>32,500</u>	<u>32,500</u>	<u>21,973</u>	<u>10,527</u>
Net change in fund balance	(500)	4,500	15,099	10,599
Fund balance at beginning of year	<u>16,772</u>	<u>16,772</u>	<u>16,772</u>	-
Fund balance at end of year	\$ <u><u>16,272</u></u>	\$ <u><u>21,272</u></u>	\$ <u><u>31,871</u></u>	\$ <u><u>10,599</u></u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – NOPEC Energy Grant Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 123,500	\$ 38,500	\$ (85,000)
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Miscellaneous				
Contractual services	-	44,500	19,500	25,000
Leisure time activities				
Miscellaneous				
Contractual services	-	13,800	13,800	-
Community development				
Miscellaneous				
Contractual services	-	30,000	-	30,000
Basic utility services				
Miscellaneous				
Contractual services	-	4,000	4,000	-
General government				
Miscellaneous				
Contractual services	-	30,000	-	30,000
Total expenditures	-	122,300	37,300	85,000
Net change in fund balance	-	1,200	1,200	-
Fund balance at beginning of year	-	-	-	-
Encumbrances at end of year	-	-	33,300	33,300
Fund balance at end of year	\$ -	\$ 1,200	\$ 34,500	\$ 33,300

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Debt Service Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 437,000	\$ 502,000	\$ 483,994	\$ (18,006)
Intergovernmental	109,525	109,525	109,525	-
Special assessments	-	31,000	31,000	-
Investment income	<u>1,000</u>	<u>1,000</u>	<u>50</u>	<u>(950)</u>
Total revenues	<u>547,525</u>	<u>643,525</u>	<u>624,569</u>	<u>(18,956)</u>
Expenditures:				
Debt service:				
Principal retirement	646,950	646,950	646,950	-
Interest and fiscal charges	<u>161,000</u>	<u>161,000</u>	<u>160,622</u>	<u>378</u>
Total expenditures	<u>807,950</u>	<u>807,950</u>	<u>807,572</u>	<u>378</u>
Excess of revenues over (under) expenditures	(260,425)	(164,425)	(183,003)	(18,578)
Other financing sources (uses):				
Transfers – in	<u>143,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	(117,425)	(84,425)	(103,003)	(18,578)
Fund balance at beginning of year	<u>140,924</u>	<u>140,924</u>	<u>140,924</u>	<u>-</u>
Fund balance at end of year	\$ <u>23,499</u>	\$ <u>56,499</u>	\$ <u>37,921</u>	\$ <u>(18,578)</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual – Sewer Treatment Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,094,600	\$ 2,711,600	\$ 2,575,475	\$ (136,125)
Licenses and permits	17,000	29,315	31,000	1,685
Investment income	2,000	100	259	159
Miscellaneous income	<u>11,300</u>	<u>12,000</u>	<u>12,529</u>	<u>529</u>
Total revenues	<u>3,124,900</u>	<u>2,753,015</u>	<u>2,619,263</u>	<u>(133,752)</u>
Expenses:				
Current operations and maintenance:				
Personal service	1,747,880	1,765,207	1,617,275	147,932
Travel and education	16,750	16,750	8,962	7,788
Contractual services	744,650	878,350	705,660	172,690
Supplies and materials	312,550	335,500	263,590	71,910
Debt service:				
Principal	88,050	88,050	88,050	-
Interest and fiscal charges	<u>30,000</u>	<u>30,000</u>	<u>29,490</u>	<u>510</u>
Total expenses	<u>2,939,880</u>	<u>3,113,857</u>	<u>2,713,027</u>	<u>400,830</u>
Net change in fund equity	185,020	(360,842)	(93,764)	267,078
Fund equity at beginning of year	663,388	663,388	663,388	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>133,270</u>	<u>133,270</u>
Fund equity at end of year	\$ <u>848,408</u>	\$ <u>302,546</u>	\$ <u>702,894</u>	\$ <u>400,348</u>

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual – Worker’s Compensation Reserve Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 72,000	\$ -	\$ 3,934	\$ 3,934
Investment income	-	155	166	11
Total revenues	72,000	155	4,100	3,945
Expenses:				
Current operations and maintenance:				
Claims expense	-	107,000	106,535	465
Net change in fund equity	72,000	(106,845)	(102,435)	4,410
Fund equity at the beginning of the year	110,027	110,027	110,027	-
Fund equity at the end of the year	\$ 182,027	\$ 3,182	\$ 7,592	\$ 4,410

# City of Bedford Heights, Ohio

## Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual – Hospitalization Reserve Fund

### For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,186,000	\$ 1,565,000	\$ 1,571,975	\$ 6,975
Investment income	-	100	272	172
Total revenues	<u>1,186,000</u>	<u>1,565,100</u>	<u>1,572,247</u>	<u>7,147</u>
Expenses:				
Current operations and maintenance:				
Contractual services	<u>1,100,000</u>	<u>1,530,000</u>	<u>1,526,774</u>	<u>3,226</u>
Net change in fund equity	86,000	35,100	45,473	10,373
Fund equity at the beginning of the year	<u>193,920</u>	<u>193,920</u>	<u>193,920</u>	-
Fund equity at the end of the year	\$ <u><u>279,920</u></u>	\$ <u><u>229,020</u></u>	\$ <u><u>239,393</u></u>	\$ <u><u>10,373</u></u>

# City of Bedford Heights, Ohio

Combining Statements  
Non-Major Internal Services Funds

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## *Worker's Compensation Self-Insurance Fund*

Accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

## *Hospitalization Reserve Fund*

Accounts for a self-insurance program for employee medical, dental and vision benefits.

# City of Bedford Heights, Ohio

## Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

**December 31, 2010**

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	Worker's Compensation Self Insurance	Hospitalization Reserve	Total Internal Service Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Cash and cash equivalents	\$ 7,592	\$ 239,393	\$ 246,985
Intergovernmental receivable	<u>143,369</u>	<u>-</u>	<u>143,369</u>
Total assets	<u>150,961</u>	<u>239,393</u>	<u>390,354</u>
Liabilities:			
Current liabilities:			
Claims payable	143,369	196,783	340,152
Long-term liabilities (net of current portion):			
Claims payable	<u>320,489</u>	<u>-</u>	<u>320,489</u>
Total liabilities	<u>463,858</u>	<u>196,783</u>	<u>660,641</u>
Net assets:			
Unrestricted (deficit)	\$ <u><u>(312,897)</u></u>	\$ <u><u>42,610</u></u>	\$ <u><u>(270,287)</u></u>

# City of Bedford Heights, Ohio

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Nonmajor Internal Service Funds

### For The Year Ended December 31, 2010

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	Worker's Compensation Self Insurance	Hospitalization Reserve	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 147,303	\$ 1,571,975	\$ 1,719,278
Operating expenses:			
Claims	<u>254,725</u>	<u>1,596,471</u>	<u>1,851,196</u>
Operating loss	(107,422)	(24,496)	(131,918)
Non-operating revenues:			
Interest earnings	<u>166</u>	<u>272</u>	<u>438</u>
Change in net assets	(107,256)	(24,224)	(131,480)
Net assets (deficit) at beginning of year	<u>(205,641)</u>	<u>66,834</u>	<u>(138,807)</u>
Net assets (deficit) at end of year	\$ <u><u>(312,897)</u></u>	\$ <u><u>42,610</u></u>	\$ <u><u>(270,287)</u></u>

# City of Bedford Heights, Ohio

## Combining Statements of Cash Flows Non-Major Internal Services Funds

### For The Year Ended December 31, 2010

	Worker's Compensation Self Insurance	Hospitalization Reserve	Total Internal Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash flows from operating activities			
Cash received from interfund services	\$ 3,934	\$ 1,571,975	\$ 1,575,909
Cash payments for claims	<u>(106,535)</u>	<u>(1,526,774)</u>	<u>(1,633,309)</u>
Net cash provided (used) by operating activities	(102,601)	45,201	(57,400)
Cash flows from investing activities			
Interest received	<u>166</u>	<u>272</u>	<u>438</u>
Net increase (decrease) in cash and cash equivalents	(102,435)	45,473	(56,962)
Cash and cash equivalents at beginning of year	<u>110,027</u>	<u>193,920</u>	<u>303,947</u>
Cash and cash equivalents at end of year	\$ <u><u>7,592</u></u>	\$ <u><u>239,393</u></u>	\$ <u><u>246,985</u></u>
<i>Reconciliation of operating loss to net cash provided (used) by operating activities:</i>			
Operating loss	\$ (107,422)	\$ (24,496)	\$ (131,918)
Adjustments:			
Change in assets/liabilities:			
Increase in intergovernmental receivable	(143,369)	-	(143,369)
Increase in claims payable	<u>148,190</u>	<u>69,697</u>	<u>217,887</u>
Net cash provided (used) by operating activities	\$ <u><u>(102,601)</u></u>	\$ <u><u>45,201</u></u>	\$ <u><u>(57,400)</u></u>

## **City of Bedford Heights, Ohio**

### Combining Statements Agency Funds

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#### *Veteran's Memorial Fund*

To account for proceeds and expenditures related to the Veteran's Memorial. Expenditures will be made to purchase pavement bricks and replacement flags surrounding the monument.

#### *Glenwillow Sanitary Sewer Maintenance and Repair Fund*

To account for proceeds from Glenwillow Sewer user fees collected and used for maintenance and repair of Glenwillow Sanitary Sewers that are tied into the City of Bedford Heights' Waste Water System.

#### *Mayor's Court Fund*

To account for the collection and distribution of court fines and forfeitures.

**City of Bedford Heights, Ohio**

Combining Statement of Assets and Liabilities  
Agency Funds

**December 31, 2010**

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	<u>Veteran's Memorial</u>	<u>Glenwillow Sanitary Sewer Maintenance and Repair</u>	<u>Mayor's Court</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ <u>584</u>	\$ <u>30,619</u>	\$ <u>14,734</u>	\$ <u>45,937</u>
Liabilities:				
Intergovernmental payable	\$ <u>584</u>	\$ <u>30,619</u>	\$ <u>14,734</u>	\$ <u>45,937</u>

# City of Bedford Heights, Ohio

## Combining Statement of Changes in Assets and Liabilities Agency Funds

**December 31, 2010**

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	Beginning Balance <u>12/31/09</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>12/31/10</u>
<b>Veteran's memorial fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>584</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>584</u>
Liabilities:				
Due to others	\$ <u>584</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>584</u>
<b>Glenwillow sanitary sewer maintenance and repair fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>17,950</u>	\$ <u>28,308</u>	\$ <u>(15,639)</u>	\$ <u>30,619</u>
Liabilities:				
Intergovernmental payable	\$ <u>17,950</u>	\$ <u>28,308</u>	\$ <u>(15,639)</u>	\$ <u>30,619</u>
<b>Mayor's court fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>13,554</u>	\$ <u>248,936</u>	\$ <u>(247,756)</u>	\$ <u>14,734</u>
Liabilities:				
Intergovernmental payable	\$ <u>13,554</u>	\$ <u>248,936</u>	\$ <u>(247,756)</u>	\$ <u>14,734</u>
<b>Total all agency funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>32,088</u>	\$ <u>277,244</u>	\$ <u>(263,395)</u>	\$ <u>45,937</u>
Liabilities:				
Intergovernmental payable	\$ <u>32,088</u>	\$ <u>277,244</u>	\$ <u>(263,395)</u>	\$ <u>45,937</u>

**STATISTICAL  
SECTION**

# City of Bedford Heights, Ohio

## Statistical Section

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This part of the City of Bedford Heights' 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.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114-119
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	120-125
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	126-129
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	130-131
<b>Operating Information</b> These schedules contain service 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.	132-135

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

# City of Bedford Heights, Ohio

## Net Assets by Component – Last Eight Years

### Last Eight Years

### Table 1

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>								
Invested in capital assets, net of related debt	\$ 12,951,678	\$ 13,048,396	\$ 13,741,270	\$ 13,712,808	\$ 13,970,553	\$ 14,069,874	\$ 14,037,308	\$ 13,953,257
Restricted for:								
Debt services	132,195	162,661	194,437	192,468	142,615	90,950	140,922	37,919
Capital projects	-	-	166,599	116,253	-	787,465	467,652	392,780
Public safety	-	17,699	96,478	123,929	134,277	104,698	127,308	116,368
Unrestricted	<u>2,457,003</u>	<u>5,018,252</u>	<u>5,029,713</u>	<u>5,507,170</u>	<u>4,635,781</u>	<u>5,259,819</u>	<u>4,987,398</u>	<u>3,301,220</u>
Total net assets – governmental activities	<u>15,540,876</u>	<u>18,247,008</u>	<u>19,228,497</u>	<u>19,652,628</u>	<u>18,883,226</u>	<u>20,312,806</u>	<u>19,760,588</u>	<u>17,801,544</u>
<b>Business-type activities:</b>								
Invested in capital assets, net of related debt	5,680,342	7,444,582	7,251,253	7,045,595	6,987,345	7,106,450	6,991,041	6,696,894
Unrestricted	<u>597,241</u>	<u>518,501</u>	<u>518,729</u>	<u>591,568</u>	<u>602,245</u>	<u>546,971</u>	<u>1,321,019</u>	<u>1,785,855</u>
Total net assets – business-type activities	<u>6,277,583</u>	<u>7,963,083</u>	<u>7,769,982</u>	<u>7,637,163</u>	<u>7,589,590</u>	<u>7,653,421</u>	<u>8,312,060</u>	<u>8,482,749</u>
<b>Primary government:</b>								
Invested in capital assets, net of related debt	18,632,020	20,492,978	20,992,523	20,758,403	20,957,898	21,176,324	21,028,349	20,650,151
Restricted for:								
Debt services	132,195	162,661	194,437	192,468	142,615	90,950	140,922	37,919
Capital projects	-	-	166,599	116,253	-	787,465	467,652	392,780
Public safety	-	17,699	96,478	123,929	134,277	104,698	127,308	116,368
Unrestricted	<u>3,054,244</u>	<u>5,536,753</u>	<u>5,548,442</u>	<u>6,098,738</u>	<u>5,238,026</u>	<u>5,806,790</u>	<u>6,308,417</u>	<u>5,087,075</u>
Total net assets – primary government	<u>\$ 21,818,459</u>	<u>\$ 26,210,091</u>	<u>\$ 26,998,479</u>	<u>\$ 27,289,791</u>	<u>\$ 26,472,816</u>	<u>\$ 27,966,227</u>	<u>\$ 28,072,648</u>	<u>\$ 26,284,293</u>

Source: City of Bedford Heights, Finance Department

# City of Bedford Heights, Ohio

## Changes in Net Assets – Accrual Basis of Accounting

### Last Eight Years

**Table 2**

	2003	2004	2005	2006	2007	2008	2009	2010
Program revenues:								
Governmental activities:								
Charges for services								
General government	\$ 312,242	\$ 203,089	\$ 667,423	\$ 837,676	\$ 748,121	\$ 1,056,994	\$ 767,696	\$ 399,964
Security of persons and property	366,210	481,451	214,941	315,640	370,578	339,269	353,023	352,325
Public health and welfare	2,246,708	2,884,981	3,751,040	4,029,482	4,070,525	4,067,809	3,307,849	2,499,821
Leisure time activities	188,565	161,365	174,966	197,542	203,696	243,236	231,055	176,466
Community development	<u>73,577</u>	<u>126,928</u>	<u>419,653</u>	<u>282,932</u>	<u>251,697</u>	<u>285,777</u>	<u>212,473</u>	<u>704,565</u>
Total charges for services	<u>3,187,302</u>	<u>3,857,814</u>	<u>5,228,023</u>	<u>5,663,272</u>	<u>5,644,617</u>	<u>5,993,085</u>	<u>4,872,096</u>	<u>4,133,141</u>
Operating grants and contributions								
General government	-	-	53,444	19,096	-	-	100,000	-
Security of persons and property	36,655	42,948	38,537	49,368	34,948	67,427	56,500	54,932
Community development	156,598	-	-	-	-	-	-	-
Transportation	<u>-</u>	<u>26,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating grants and contributions	<u>193,253</u>	<u>69,160</u>	<u>91,981</u>	<u>68,464</u>	<u>34,948</u>	<u>67,427</u>	<u>156,500</u>	<u>54,932</u>
Capital grants and contributions								
General government	-	-	-	-	-	-	202,135	112,467
Security of persons and property	240,777	1,289,223	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-	-	60,000
Community development	38,438	10,350	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	31,512
Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,450</u>	<u>-</u>
Total grants and contributions	<u>279,215</u>	<u>1,299,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,585</u>	<u>203,979</u>
Total governmental activities program revenues	<u>3,659,770</u>	<u>5,226,547</u>	<u>5,320,004</u>	<u>5,731,736</u>	<u>5,679,565</u>	<u>6,060,512</u>	<u>5,813,181</u>	<u>4,392,052</u>
Business-type activities:								
Charges for services	2,497,061	2,522,827	2,558,829	2,783,791	3,037,885	3,220,868	3,015,533	2,790,193
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,732</u>	<u>-</u>	<u>323,816</u>	<u>-</u>
Total business-type activities	<u>2,497,061</u>	<u>2,522,827</u>	<u>2,558,829</u>	<u>2,783,791</u>	<u>3,486,617</u>	<u>3,220,868</u>	<u>3,339,349</u>	<u>2,790,193</u>
Total primary government program revenues	<u>6,156,831</u>	<u>7,749,374</u>	<u>7,878,833</u>	<u>8,515,527</u>	<u>9,166,182</u>	<u>9,281,380</u>	<u>9,152,530</u>	<u>7,182,245</u>

(Continued)

## City of Bedford Heights, Ohio

### Changes in Net Assets – Accrual Basis of Accounting (continued)

#### Last Eight Years

#### Table 2

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:								
Governmental activities:								
General government	3,706,046	3,457,529	4,242,177	4,093,698	4,602,015	4,149,257	3,617,618	3,636,040
Security of persons and property	9,011,478	9,114,502	10,151,220	10,519,118	11,237,785	11,186,209	10,784,582	10,575,672
Public health services	351,341	328,601	365,842	329,303	393,631	412,760	392,705	359,539
Leisure time activities	1,427,498	1,119,587	1,674,142	1,922,742	1,888,063	1,678,454	1,651,924	1,442,077
Community Development	675,173	1,082,921	545,634	331,212	323,997	399,975	379,029	364,564
Basic utility services	467,832	519,054	682,991	600,410	890,125	784,933	758,278	673,000
Transportation	1,935,912	1,131,751	730,428	1,842,203	1,975,432	1,902,672	2,075,528	1,817,751
Interest and fiscal charges	322,093	465,715	248,915	236,810	217,832	274,677	213,186	181,736
Total governmental activities expenses	<u>17,897,373</u>	<u>17,219,660</u>	<u>18,641,349</u>	<u>19,875,496</u>	<u>21,528,880</u>	<u>20,788,937</u>	<u>19,872,850</u>	<u>19,050,379</u>
Business-type activities:								
Sewer revenue	<u>2,878,175</u>	<u>1,070,626</u>	<u>2,706,430</u>	<u>2,874,995</u>	<u>3,501,728</u>	<u>2,992,409</u>	<u>2,694,717</u>	<u>2,753,292</u>
Total primary government expenses	<u>20,775,548</u>	<u>18,290,286</u>	<u>21,347,779</u>	<u>22,750,491</u>	<u>25,030,608</u>	<u>23,781,346</u>	<u>22,567,567</u>	<u>21,803,671</u>
Net (expense) revenue:								
Governmental activities	(14,237,603)	(11,993,113)	(13,321,345)	(14,143,760)	(15,849,315)	(14,728,425)	(14,059,669)	(14,658,327)
Business-type activities	<u>(381,114)</u>	<u>1,452,201</u>	<u>(147,601)</u>	<u>(91,204)</u>	<u>(15,111)</u>	<u>228,459</u>	<u>644,632</u>	<u>36,901</u>
Total primary government net expense	<u>(14,618,717)</u>	<u>(10,540,912)</u>	<u>(13,468,946)</u>	<u>(14,234,964)</u>	<u>(15,864,426)</u>	<u>(14,499,966)</u>	<u>(13,415,037)</u>	<u>(14,621,426)</u>

(Continued)

# City of Bedford Heights, Ohio

## Changes in Net Assets – Accrual Basis of Accounting (continued)

### Last Eight Years

### Table 2

	2003	2004	2005	2006	2007	2008	2009	2010
General revenues and other changes in net assets:								
Governmental activities:								
Property taxes and other local taxes	4,048,224	4,222,238	3,928,562	3,890,975	3,882,388	3,653,579	3,393,741	3,266,574
Municipal income taxes	8,088,759	8,747,883	8,793,132	8,648,965	8,811,924	9,951,407	7,961,003	7,353,761
Grants and entitlements	1,459,130	1,395,309	1,347,948	1,657,800	1,898,417	2,087,754	2,051,473	2,131,659
Investment earnings	45,097	58,789	148,505	258,859	306,428	213,843	34,633	2,861
Miscellaneous	144,217	494,516	25,087	52,792	118,356	65,378	66,601	65,428
Transfers	-	(219,490)	59,600	58,500	62,400	186,044	-	(121,000)
Total governmental activities, general revenues, and other changes in net assets	<u>13,785,427</u>	<u>14,699,245</u>	<u>14,302,834</u>	<u>14,567,891</u>	<u>15,079,913</u>	<u>16,158,005</u>	<u>13,507,451</u>	<u>12,699,283</u>
Business-type activities:								
Investment earnings	-	787	2,547	5,677	19,355	5,598	609	259
Miscellaneous	10,739	13,022	11,553	11,208	10,583	15,818	13,398	12,529
Transfers	-	219,490	(59,600)	(58,500)	(62,400)	(186,044)	-	121,000
Total business-type activities, general revenues, and other changes in net assets	<u>10,739</u>	<u>233,299</u>	<u>(45,500)</u>	<u>(41,615)</u>	<u>(32,462)</u>	<u>(164,628)</u>	<u>14,007</u>	<u>133,788</u>
Total primary government general revenues and other changes in net assets	<u>13,796,166</u>	<u>14,932,544</u>	<u>14,257,334</u>	<u>14,526,276</u>	<u>15,047,451</u>	<u>15,993,377</u>	<u>13,521,458</u>	<u>12,833,071</u>
Change in net assets:								
Governmental activities	(452,176)	2,706,132	981,489	424,131	(769,402)	1,429,580	(552,218)	(1,959,044)
Business-type activities	<u>(370,375)</u>	<u>1,685,500</u>	<u>(193,101)</u>	<u>(132,819)</u>	<u>(47,573)</u>	<u>63,831</u>	<u>658,639</u>	<u>170,689</u>
Total primary government changes in net assets	\$ <u>(822,551)</u>	\$ <u>4,391,632</u>	\$ <u>788,388</u>	\$ <u>291,312</u>	\$ <u>(816,975)</u>	\$ <u>1,493,411</u>	\$ <u>106,421</u>	\$ <u>(1,788,355)</u>

Source: City of Bedford Heights, Finance Department

# City of Bedford Heights, Ohio

## Fund Balances, Governmental Funds – Modified Accrual Basis of Accounting

### Last Ten Years

**Table 3**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund:										
Reserved	\$ 151,676	\$ 90,745	\$ 113,428	\$ 140,790	\$ 105,256	\$ 154,626	\$ 114,143	\$ 101,440	\$ 111,654	\$ 121,758
Unreserved	<u>2,764,615</u>	<u>3,294,856</u>	<u>3,887,301</u>	<u>4,176,320</u>	<u>4,898,217</u>	<u>5,312,310</u>	<u>5,282,825</u>	<u>6,241,287</u>	<u>4,958,406</u>	<u>3,324,143</u>
Total general fund	<u>2,916,291</u>	<u>3,385,601</u>	<u>4,000,729</u>	<u>4,317,110</u>	<u>5,003,473</u>	<u>5,466,936</u>	<u>5,396,968</u>	<u>6,342,727</u>	<u>5,070,060</u>	<u>3,445,901</u>
All other governmental funds:										
Reserved	680,016	177,676	83,626	260,494	192,556	144,478	166,042	239,672	130,511	236,884
Unreserved, undesignated										
Reported in:										
Special revenue funds	100,809	(10,832)	(287,780)	(49,307)	(122,762)	282,557	161,324	105,454	304,678	(29,132)
Debt service funds	81,197	59,115	132,195	162,661	194,437	192,468	142,615	90,950	140,922	37,919
Capital projects funds	<u>(1,072,964)</u>	<u>(1,257,796)</u>	<u>(1,596,733)</u>	<u>(211,583)</u>	<u>16,661</u>	<u>76,817</u>	<u>(52,924)</u>	<u>636,599</u>	<u>435,422</u>	<u>296,593</u>
Total all other governmental funds	<u>(210,942)</u>	<u>(1,031,837)</u>	<u>(1,668,692)</u>	<u>162,265</u>	<u>280,892</u>	<u>696,320</u>	<u>417,057</u>	<u>1,072,675</u>	<u>1,011,533</u>	<u>542,264</u>
Total governmental funds	\$ <u>2,705,349</u>	\$ <u>2,353,764</u>	\$ <u>2,332,037</u>	\$ <u>4,479,375</u>	\$ <u>5,284,365</u>	\$ <u>6,163,256</u>	\$ <u>5,814,025</u>	\$ <u>7,415,402</u>	\$ <u>6,081,593</u>	\$ <u>3,988,165</u>

Source: City of Bedford Heights, Finance Department

# City of Bedford Heights, Ohio

## Changes in Fund Balances, Governmental Funds – Modified Basis of Accounting

### Last Ten Years

### Table 4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Property taxes	\$ 3,576,428	\$ 3,542,764	\$ 3,959,669	\$ 4,077,069	\$ 4,048,378	\$ 4,046,045	\$ 3,694,714	\$ 3,722,521	\$ 3,284,553	\$ 3,262,135
Income taxes	8,721,195	8,221,839	8,382,406	8,387,988	9,083,275	8,885,353	8,788,315	9,682,822	8,053,573	7,453,724
Other local taxes	57,644	47,770	36,628	20,333	26,710	18,894	5,235	11,998	-	-
Intergovernmental	1,562,972	1,617,799	2,312,189	2,751,367	1,458,915	1,817,886	1,841,126	2,121,939	2,961,127	2,453,500
Charges for services	200,683	213,785	2,412,516	3,079,438	3,758,055	4,133,715	4,163,791	4,495,695	3,716,211	2,872,194
Licenses and permits	416,976	686,402	448,815	454,781	591,367	670,746	666,860	526,433	409,281	449,522
Fines and forfeitures	174,019	161,017	168,426	218,887	207,565	191,406	165,916	156,415	175,468	177,409
Special assessments	96,371	30,238	38,438	10,350	123,450	13,294	18,441	-	-	31,000
Investment income	237,736	96,895	45,097	58,789	148,505	258,859	306,428	213,843	34,387	2,423
Miscellaneous	493,068	464,980	605,338	685,538	623,073	722,658	664,454	833,800	588,540	446,807
<b>Total revenues</b>	<b>15,537,092</b>	<b>15,083,489</b>	<b>18,409,522</b>	<b>19,744,540</b>	<b>20,069,293</b>	<b>20,758,856</b>	<b>20,315,280</b>	<b>21,765,466</b>	<b>19,223,140</b>	<b>17,148,714</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Security of persons	6,292,833	6,929,512	8,676,087	9,075,578	9,987,413	11,320,885	10,793,992	10,843,356	10,759,692	10,609,823
Public health and welfare	368,465	398,598	353,262	327,778	400,997	358,521	428,895	395,020	383,888	351,236
Leisure time activities	1,266,381	1,193,662	1,236,545	1,257,821	1,456,808	1,678,665	1,734,452	2,061,075	1,357,156	1,232,115
Community development	480,879	449,551	675,173	1,088,902	584,070	354,193	333,983	378,349	366,986	359,760
Basic utility services	632,132	647,360	510,549	548,711	573,799	583,167	782,996	728,050	780,339	736,020
Transportation	1,059,464	1,404,293	1,267,914	1,230,116	1,031,746	887,927	1,053,589	1,006,699	1,548,638	1,187,180
General government	3,777,479	3,702,698	3,495,726	3,557,985	3,772,957	3,851,964	4,187,872	4,064,135	3,962,819	3,390,610
Capital outlay	1,741,834	683,252	1,290,015	1,602,374	936,614	1,254,903	1,009,582	596,174	660,732	413,423
<b>Debt service:</b>										
Principal retirement	403,000	403,000	338,000	1,769,000	569,000	654,000	944,000	1,380,832	753,632	776,249
Interest and fiscal charges	274,935	208,745	336,765	477,720	243,807	227,352	215,529	288,907	217,758	185,726
<b>Total expenditures</b>	<b>16,297,402</b>	<b>16,020,671</b>	<b>18,180,036</b>	<b>20,935,985</b>	<b>19,557,211</b>	<b>21,171,577</b>	<b>21,484,890</b>	<b>21,742,597</b>	<b>20,791,640</b>	<b>19,242,142</b>
Excess	(760,310)	(937,182)	229,486	(1,191,445)	512,082	(412,721)	(1,169,610)	22,869	(1,568,500)	(2,093,428)
<b>Other financing sources (uses)</b>										
Proceeds from sale of debt	-	-	-	3,300,000	-	250,000	450,000	1,352,800	248,726	-
Inception of capital leases	57,133	224,578	88,702	252,466	233,308	954,421	217,838	39,664	-	-
Sale of capital assets	30,631	-	21,104	5,807	-	28,691	90,140	-	20,196	-
Transfers in	3,738,110	2,849,225	2,948,131	2,724,868	2,750,270	2,896,470	2,662,400	2,916,044	3,196,039	2,796,000
Transfers out	(3,738,110)	(2,849,225)	(2,948,131)	(2,944,358)	(2,690,670)	(2,837,970)	(2,660,000)	(2,730,000)	(3,230,270)	(2,796,000)
<b>Total other financing sources (uses)</b>	<b>87,764</b>	<b>224,578</b>	<b>109,806</b>	<b>3,338,783</b>	<b>292,908</b>	<b>1,291,612</b>	<b>760,378</b>	<b>1,578,508</b>	<b>234,691</b>	<b>-</b>
<b>Change in fund balances</b>	<b>\$ (672,546)</b>	<b>\$ (712,604)</b>	<b>\$ 339,292</b>	<b>\$ 2,147,338</b>	<b>\$ 804,990</b>	<b>\$ 878,891</b>	<b>\$ (409,232)</b>	<b>\$ 1,601,377</b>	<b>\$ (1,333,809)</b>	<b>\$ (2,093,428)</b>
<b>Debt service as a % of noncapital expenditures</b>										
	4.35%	4.00%	4.10%	12.08%	4.53%	4.57%	5.69%	8.12%	4.99%	5.14%

Source: City of Bedford Heights, Finance Department

# City of Bedford Heights, Ohio

## Assessed Valuation and Estimated Actual Values of Taxable Property

### Last Ten Years

**Table 5**

Tax Year	Real Property (1)		Personal Property (2)		Public Utility Property (3)		Total Direct Tax Rate	Total	
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value		Assessed Value	Estimated True Value
2001	\$ 215,690,920	\$ 619,116,914	\$ 78,483,159	\$ 313,932,636	\$ 6,940,000	\$ 7,886,363	\$ 12.00	\$ 301,114,079	\$ 940,935,913
2002	222,206,660	634,876,171	71,767,144	287,068,576	6,422,520	7,298,318	12.00	300,396,324	929,243,065
2003	236,562,720	675,893,486	76,452,960	332,404,173	6,661,320	7,569,682	13.00	319,677,000	1,015,867,341
2004	237,163,630	677,610,371	77,135,490	335,371,696	6,671,780	7,581,568	13.00	320,970,900	1,020,563,635
2005	236,817,590	676,621,686	76,532,016	332,747,896	6,419,870	7,295,307	13.00	319,769,476	1,016,664,889
2006	247,730,140	707,800,400	60,648,750	323,460,000	6,197,820	7,042,977	13.00	314,576,710	1,038,303,377
2007	249,772,040	713,634,400	43,050,748	344,405,984	4,583,450	5,208,466	13.00	297,406,238	1,063,248,850
2008	250,367,170	715,334,771	21,139,183	338,226,928	4,713,280	5,356,000	13.00	276,219,633	1,058,917,699
2009	237,405,040	678,300,114	-	-	4,872,500	5,536,932	13.00	242,277,540	683,837,046
2010	238,289,960	680,828,457	-	-	4,966,350	5,643,580	21.90	243,256,310	686,757,751

(1) Total real property assessed value is 35% of estimated true value.

(2) Total personal property assessed value was 25% for capital assets and 24% for inventory for tangible personal. For 2006, personal property assessed value was 18.75%. For 2007, personal property assessed value was 12.5%. For 2008, personal property assessed value is 6.25%. For 2009 and later, personal property assessed value is 0%.

(3) Total public utility property assessed value is 88% of estimated true value.

Source: Cuyahoga County Auditor

# City of Bedford Heights, Ohio

## Income Tax Revenue Base and Collections (Cash Basis)

### Last Ten Years

**Table 6**

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>
2001	2.00%	\$ 9,256,245	\$ 7,385,679	79.79%	\$ 394,930	4.27%	\$ 1,475,636	15.94%
2002	2.00	8,126,690	7,078,806	87.11	385,910	4.75	661,974	8.14
2003	2.00	8,312,165	7,047,115	84.78	339,208	4.08	925,842	11.14
2004	2.00	8,365,372	6,908,294	82.58	309,571	3.70	1,147,507	13.72
2005	2.00	8,915,969	6,745,265	75.65	337,041	3.78	1,833,663	20.57
2006	2.00	8,729,675	6,903,236	79.08	321,256	3.68	1,505,183	17.24
2007	2.00	8,801,666	7,157,632	81.32	270,881	3.08	1,373,153	15.60
2008	2.00	9,449,466	7,182,966	76.01	308,809	3.27	1,957,691	20.72
2009	2.00	8,227,661	6,692,988	81.35	266,827	3.24	1,267,846	15.41
2010	2.00	7,218,334	6,432,746	89.12	239,792	3.32	545,796	7.56

Source: Regional Income Tax Agency

# City of Bedford Heights, Ohio

## Property Tax Rates – Direct and Overlapping Governments

### Last Ten Years

**Table 7**

Collection Year	Total City Millage	Total County Millage	Total Bedford School Millage	Total Orange School Millage	Total City, County, and Bedford School	Total City, County, and Orange School
2001	\$ 12.00	\$ 14.65	\$ 62.50	\$ 81.10	\$ 92.10	(1) \$ 110.70 (1)
2002	12.00	14.65	62.50	81.10	92.10	(1) 110.70 (1)
2003	13.00 (4)	14.65	62.50	81.10	93.10	(1) 111.70 (1)
2004	13.00 (4)	13.52	62.50	81.10	91.97	(1) 110.57 (1)
2005	13.00 (4)	13.52	67.40	86.10	97.77	(2) 116.47 (2)
2006	13.00 (4)	13.52	67.40	86.10	97.77	(2) 116.47 (2)
2007	13.00 (4)	13.42	67.60	86.00	97.87	(2) 116.27 (2)
2008	13.00 (4)	13.32	67.60	86.00	101.20	(3) 119.60 (3)
2009	13.00 (4)	13.32	67.60	86.00	101.20	(3) 119.60 (3)
2010	13.00 (4)	13.32	72.50	86.00	106.10	(3) 119.60 (3)

(1) Includes Metropark and Library Millage of \$1.55 and \$1.40, respectively.

(2) Includes Metropark and Library Millage of \$1.85 and \$2.00, respectively.

(3) Includes Metropark, Library Millage, Cuyahoga Community College, and Cleveland-Cuyahoga Port Authority of \$1.85, \$2.50, \$2.80, and \$0.13, respectively.

(4) City's direct rate is comprised of \$5.40 in the general fund, \$3.00 in the Fire Levy Fund, \$0.30 in the Police Pension Fund, \$0.30 in the Fire Pension Fund, \$2.00 in the Debt Service Fund, and \$2.00 in the Capital Improvements Fund.

Source: Cuyahoga County Auditor

# City of Bedford Heights, Ohio

## Real Property Tax Levies and Collections

### Last Ten Years

**Table 8**

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections To Current Tax Levy</u>	<u>Current Delinquent Taxes</u>	<u>Accumulated Delinquent Taxes</u>
2001	\$ 2,641,971	\$ 2,444,198	92.5%	\$ 99,375	\$ 2,543,573	96.2%	\$ 141,624	\$ 200,927
2002	2,671,676	2,448,976	91.7	143,103	2,592,079	97.0	217,690	320,479
2003	3,003,452	2,764,967	92.1	200,005	2,964,972	98.7	230,987	413,103
2004	3,154,262	2,885,639	91.5	162,232	3,047,871	96.6	296,254	445,198
2005	3,186,836	2,803,824	88.0	201,094	3,004,918	94.3	233,928	352,758
2006	3,155,861	2,984,594	94.6	240,866	3,225,460	102.2	109,379	168,246
2007	3,313,087	2,971,853	89.7	138,001	3,109,854	93.9	207,343	269,690
2008	3,330,585	3,115,515	93.5	180,752	3,296,267	99.0	203,094	284,029
2009	3,328,634	2,997,628	90.1	137,894	3,135,522	94.2	233,766	389,526
2010	3,170,432	2,958,226	93.3	191,111	3,149,337	99.3	243,474	408,513

Source: Cuyahoga County Auditor

Note: Some years may show the Ratio of Total Tax Collections to Current Tax Levy in excess of 100 percent. The County does not identify delinquent collections by the year for which the tax was levied. Therefore, all collections are shown in the year collected and not in the year levied.

# City of Bedford Heights, Ohio

## Principal Taxpayers – Real Estate Tax

**2002 and 2010**

**Table 9**

<u>Name of Taxpayer</u>	<u>December 31, 2010</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Riser Foods Company	\$ 6,317,510	2.65%
Bear Creek Road, LLC	5,962,160	2.50
South Pointe Towers, LTD	4,221,790	1.77
Mayfred Co.	3,512,480	1.47
Southgate Towers LLC	3,246,260	1.36
Weston Inc.	2,707,180	1.14
JE & MT Corporation	2,690,730	1.13
Aurora 23371 LLC	2,139,770	0.90
Richmond Realty Investors LLC	2,077,250	0.87
Monmouth Capital Corp	1,785,000	0.75
Total	<u>\$ 34,660,130</u>	<u>14.55%</u>

<u>Name of Taxpayer</u>	<u>December 31, 2002</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Riser Foods Company	\$ 7,595,000	2.52%
Bear Creek Inv. Co.	5,952,280	1.98
Miles Road LLC	4,499,840	1.50
Mayred Co.	3,960,960	1.32
A.M. Castle Co.	3,933,400	1.31
South Pointe Towers LTD	3,814,630	1.27
Weston Inc.	3,577,460	1.19
Southgate Towers LLC	3,325,210	1.11
Sylvia Naiman Trust	3,056,730	1.02
Marotta Glazer Realty Co.	3,056,280	1.02
Total	<u>\$ 42,771,790</u>	<u>14.24%</u>

Information prior to 2002 is not available.

Source: Cuyahoga County Auditor  
 (1) Excludes Public Utilities

# City of Bedford Heights, Ohio

## Personal Income Tax Filers and Income Subject to Tax by Income Level

**2005 and 2009**

**Table 10**

2009				
<u>Income Level</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Personal Income Subject to Tax</u>	<u>Percentage of Total</u>
\$100,000 and higher	116	4.32%	\$ 14,122,864	14.44%
\$75,000 – \$99,999	177	6.59	15,177,953	15.52
\$50,000 – \$74,999	396	14.74	23,940,838	24.48
\$25,000 – \$49,999	892	33.21	32,030,792	32.75
\$10,000 – \$24,999	589	21.93	10,134,594	10.36
\$9,999 and lower	516	19.21	2,388,328	2.44
<b>Total</b>	<b>2,686</b>	<b>100.00%</b>	<b>\$ 107,421,334</b>	<b>100.00%</b>
2005				
<u>Income Level</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Personal Income Subject to Tax</u>	<u>Percentage of Total</u>
\$100,000 and higher	126	3.87%	\$ 15,474,166	12.78%
\$75,000 – \$99,999	225	6.92	19,290,958	15.94
\$50,000 – \$74,999	507	15.58	31,013,637	25.62
\$25,000 – \$49,999	1081	33.23	39,303,161	32.47
\$10,000 – \$24,999	752	23.12	13,334,583	11.01
\$9,999 and lower	562	17.28	2,643,330	2.18
<b>Total</b>	<b>3,253</b>	<b>100.00%</b>	<b>\$ 121,059,835</b>	<b>100.00%</b>

Information for 2010 not available as all tax forms may not be processed.  
 Information prior to 2005 is not available.

Source: Regional Income Tax Agency

# City of Bedford Heights, Ohio

## Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

### Last Ten Years

**Table 11**

Year	Governmental Activities					Business-Type Activities			Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessments	Capital Leases	Long-term Notes	OPWC Loans	General Obligation Bonds	Capital Leases	Long-term Notes			
2001	\$ 3,545,000	\$ 62,000	\$ 903,290	\$ -	\$ -	\$ 2,970,000	\$ -	\$ -	\$ 7,480,290	3.02%	\$ 658
2002	3,155,000	49,000	908,912	-	-	2,720,000	-	-	6,832,912	2.76	601
2003	4,355,000	36,000	763,651	-	-	1,020,000	31,243	-	6,205,894	2.50	546
2004	5,895,000	27,000	756,978	-	-	835,000	5,074	-	7,519,052	3.03	661
2005	5,335,000	18,000	735,534	-	-	640,000	-	-	6,728,534	2.71	592
2006	4,690,000	9,000	1,000,522	250,000	-	440,000	31,264	-	6,420,786	2.59	564
2007	4,005,000	-	902,774	450,000	-	230,000	16,009	300,000	5,903,783	2.38	519
2008	4,637,800	-	731,606	-	-	962,200	-	-	6,331,606	2.55	557
2009	4,056,500	-	559,274	-	248,726	913,500	-	-	5,778,000	2.33	508
2010	3,409,550	-	436,193	-	242,508	825,450	-	-	4,913,701	2.10	457

Note: Population and Personal Income data are presented in Table 15, on page 130.

## City of Bedford Heights, Ohio

### Ratio of Net General Obligation Debt to Assessed Value and Net Debt Per Capita

#### Last Ten Years

**Table 12**

<u>Tax Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Obligation Debt</u>	<u>Less: Debt Service Funds</u>	<u>Net General Obligation Debt</u>	<u>Ratio of Net Debt To Assessed Value</u>	<u>Net Debt Per Capita</u>
2001	11,375	\$ 301,114,079	\$ 8,265,000	\$ 81,197	\$ 8,183,803	2.72%	\$ 719.45
2002	11,375	300,396,324	7,565,000	59,115	7,505,885	2.50	659.86
2003	11,375	319,677,000	8,715,000	132,195	8,582,805	2.68	754.53
2004	11,375	320,970,900	7,157,000	162,661	6,994,339	2.18	614.88
2005	11,375	319,769,476	6,218,000	194,437	6,023,563	1.88	529.54
2006	11,375	314,576,710	5,389,000	192,468	5,196,532	1.65	456.84
2007	11,375	297,406,238	4,985,000	142,615	4,842,385	1.63	425.70
2008	11,375	276,219,733	5,600,000	90,950	5,509,050	1.99	484.31
2009	11,375	242,277,540	4,970,000	140,922	4,829,078	1.99	424.53
2010	10,751	243,256,310	4,235,000	37,919	4,197,081	1.73	390.39

(1) Source: U.S. Census Bureau

(2) Source: Cuyahoga County Auditor

# City of Bedford Heights, Ohio

## Computation of Direct and Overlapping Debt – General Obligation Debt

**December 31, 2010**

**Table 13**

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
City of Bedford Heights	\$ 4,235,000	100.00%	\$ 4,235,000
Overlapping:			
Cuyahoga County	319,446,948	0.82%	2,605,331
Regional Transit Authority	152,760,000	0.82%	1,245,873
Bedford School District	4,525,445	29.25%	1,323,829
Orange School District	<u>22,721,219</u>	3.14%	<u>713,513</u>
Total Overlapping Debt	<u>499,453,612</u>		<u>5,888,546</u>
Total	\$ <u>503,688,612</u>		\$ <u>10,123,546</u>

Source: Cuyahoga County Auditor

(1) Net general obligation debt outstanding equals the amount of general obligation bonds and notes outstanding.

# City of Bedford Heights, Ohio

## Legal Debt Margin

### Last Ten Fiscal Years

**Table 14**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed valuation <sup>(1)</sup>	\$ <u>301,114,079</u>	\$ <u>300,396,324</u>	\$ <u>319,677,000</u>	\$ <u>320,970,900</u>	\$ <u>319,769,476</u>	\$ <u>314,576,710</u>	\$ <u>297,406,238</u>	\$ <u>279,219,733</u>	\$ <u>242,277,540</u>	\$ <u>243,256,310</u>
Debt Limit – 10.5% of assessed value	\$ <u>31,616,978</u>	\$ <u>31,541,614</u>	\$ <u>33,566,085</u>	\$ <u>33,701,945</u>	\$ <u>33,575,795</u>	\$ <u>33,030,555</u>	\$ <u>31,227,655</u>	\$ <u>29,318,072</u>	\$ <u>25,439,142</u>	\$ <u>25,541,913</u>
Gross indebtedness	8,327,000	7,614,000	8,751,000	7,157,000	6,218,000	5,564,000	5,110,000	5,650,000	5,218,726	4,477,509
Less: debt outside limitation	<u>(62,000)</u>	<u>(49,000)</u>	<u>(36,000)</u>	<u>(27,000)</u>	<u>(18,000)</u>	<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>(248,726)</u>	<u>(242,509)</u>
Debt within 10.5% limitation	8,265,000	7,565,000	8,715,000	7,130,000	6,200,000	5,555,000	5,110,000	5,650,000	4,970,000	4,235,000
Less: Amount available in debt service fund	<u>(81,197)</u>	<u>(59,115)</u>	<u>(132,195)</u>	<u>(162,661)</u>	<u>(194,437)</u>	<u>(192,468)</u>	<u>(142,615)</u>	<u>(90,950)</u>	<u>(140,922)</u>	<u>(37,919)</u>
Net debt within 10.5% limit	<u>8,183,808</u>	<u>7,505,885</u>	<u>8,582,805</u>	<u>6,967,339</u>	<u>6,005,563</u>	<u>5,362,532</u>	<u>4,967,385</u>	<u>5,559,050</u>	<u>4,829,078</u>	<u>4,197,081</u>
Legal debt margin	\$ <u>23,433,175</u>	\$ <u>24,035,729</u>	\$ <u>24,983,280</u>	\$ <u>26,734,606</u>	\$ <u>27,570,232</u>	\$ <u>27,668,023</u>	\$ <u>26,260,270</u>	\$ <u>23,759,022</u>	\$ <u>20,610,064</u>	\$ <u>21,344,832</u>
Debt limit – 5.5% of assessed value	\$ <u>16,561,274</u>	\$ <u>16,521,798</u>	\$ <u>17,582,235</u>	\$ <u>17,653,400</u>	\$ <u>17,587,321</u>	\$ <u>17,301,719</u>	\$ <u>16,357,343</u>	\$ <u>15,357,085</u>	\$ <u>13,325,265</u>	\$ <u>13,379,097</u>
Gross indebtedness	8,327,000	7,614,000	8,751,000	7,157,000	6,218,000	5,564,000	5,110,000	5,650,000	5,218,726	4,477,509
Less: debt outside limitation	<u>(62,000)</u>	<u>(49,000)</u>	<u>(36,000)</u>	<u>(27,000)</u>	<u>(18,000)</u>	<u>(9,000)</u>	<u>-</u>	<u>-</u>	<u>(248,726)</u>	<u>(242,509)</u>
Debt within 5.5% limitation	8,265,000	7,565,000	8,715,000	7,130,000	6,200,000	5,555,000	5,110,000	5,650,000	4,970,000	4,235,000
Less: amount available in debt service fund	<u>(81,197)</u>	<u>(59,115)</u>	<u>(132,195)</u>	<u>(162,661)</u>	<u>(194,437)</u>	<u>(192,468)</u>	<u>(142,615)</u>	<u>(90,950)</u>	<u>(140,922)</u>	<u>(37,919)</u>
Net debt within 5.5% limit	<u>8,183,803</u>	<u>7,505,885</u>	<u>8,582,805</u>	<u>6,967,339</u>	<u>6,005,563</u>	<u>5,362,532</u>	<u>4,967,385</u>	<u>5,559,050</u>	<u>4,829,078</u>	<u>4,197,081</u>
Unvoted debt margin	\$ <u>8,377,471</u>	\$ <u>9,015,913</u>	\$ <u>9,002,430</u>	\$ <u>10,686,061</u>	\$ <u>11,581,758</u>	\$ <u>11,939,187</u>	\$ <u>11,389,958</u>	\$ <u>9,798,035</u>	\$ <u>8,496,187</u>	\$ <u>9,182,016</u>

(1) – Assessed valuations based upon the tax year.

Source: Cuyahoga County Auditor and City Financial Records

# City of Bedford Heights, Ohio

## Demographic and Economic Statistics

### Last Ten Years

**Table 15**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>
2001	11,375	\$ 247,872,625	\$ 21,791	\$ 38,400	39	4,049	6.8%
2002	11,375	247,872,625	21,791	38,400	39	3,992	6.6
2003	11,375	247,872,625	21,791	38,400	39	3,826	6.2
2004	11,375	247,872,625	21,791	38,400	39	3,890	6.6
2005	11,375	247,872,625	21,791	38,400	39	3,840	6.5
2006	11,375	247,872,625	21,791	38,400	39	3,908	6.6
2007	11,375	247,872,625	21,791	38,400	39	3,925	6.1
2008	11,375	247,872,625	21,791	38,400	39	3,883	6.8
2009	11,375	247,872,625	21,791	38,400	39	3,712	9.2
2010	10,751	234,275,041	21,791	38,400	39	3,665	9.5

(1) Source: U. S. Census

(a) Years 2000 through 2009 – 2000 Federal Census

(b) Year 2010 – 2010 Federal Census for population, 2000 Federal Census for all other data

(2) Source: Ohio Department of Education Website

(3) Source: Ohio Bureau of Employment Services, U.S. Department of Labor, Bureau of Labor Statistics for Cleveland

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

Note: The unemployment rate is for Cuyahoga County because a rate for the City of Bedford Heights could not be determined.

N/A – Information not available

# City of Bedford Heights, Ohio

## Principal Employers

2005 and 2010

Table 16

2005		
<u>Employer</u>	<u>Employees</u>	Percentage of Total City <u>Employment</u>
Riser Foods Company	N/A	N/A
American Spring Wire Corporation	N/A	N/A
Sherwin-Williams Company	N/A	N/A
City of Bedford Heights	254	2.82%
New York Frozen Foods Inc.	253	2.81
Bedford Board of Education	N/A	N/A
Cleveland Coca-Cola Bottling Company	N/A	N/A
Majestic Steel USA Inc.	N/A	N/A
Olympic Steel Incorporated	182	2.02
Northeast Ohio Electric	N/A	N/A
Total City Employment	8,999	
2010		
<u>Employer</u>	<u>Employees</u>	Percentage of Total City <u>Employment</u>
Riser Foods Company	754	9.49%
Cleveland Coca-Cola Bottling Company	268	3.37
City of Bedford Heights	238	2.99
New York Frozen Foods Incorporated	236	2.97
Bedford Board of Education	219	2.76
Olympic Steel Incorporated	183	2.30
Automated Packaging Systems Inc	158	1.99
The Sherwin-Williams Company	148	1.86
Stephen G Wolff Inc	140	1.76
AM Castle & Co.	120	1.51
Total City Employment	7,948	

- (1) Source: Regional Income Tax Authority  
 (2) Information prior to 2005 is not available.  
 (3) Total information for top 10 employers not available.  
 N/A – Information not available.

# City of Bedford Heights, Ohio

## Full Time City Employees by Function/Program

**Last Four Years**

**Table 17**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Function/program:				
General government:				
Council	1	1	1	1
Finance	4	4	4	3
Law	3	4	4	4
Administration	2	2	2	2
Security of persons and property:				
Police (1)	70	66	60	60
Fire	29	29	29	29
Leisure time activities:				
Community center	9	7	7	7
Community development:				
Building	3	4	4	4
Economic development	1	2	2	2
Transportation:				
Service/streets	26	22	22	18
Basic utility services:				
Wastewater treatment plant	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
Totals	<u>170</u>	<u>163</u>	<u>157</u>	<u>152</u>

Source: City Payroll Records

- (1) Includes dispatchers, safety director, corrections facility, and clerk of courts.
- (2) Information prior to 2007 is not available.

# City of Bedford Heights, Ohio

## Operating Indicators by Function/Program (1)

### Last Nine Years

**Table 18**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Function/program									
General government									
Council and clerk									
Number of ordinances and resolutions	163	212	218	215	269	260	241	210	157
Finance department									
Number of checks/ vouchers issued (excluding payroll)	4,189	4,702	4,814	4,936	4,772	4,889	4,882	4,243	4,031
Interest earnings for fiscal year (cash basis)	\$ 92,580	\$ 47,328	\$ 59,575	\$ 131,193	\$ 281,621	\$ 309,155	\$ 111,934	\$ 41,348	\$ 3,119
Number of receipts issued	N/A	2,698	2,724	3,893	4,234	4,822	5,293	5,555	5,058
Agency ratings – Moody’s Financial Services	Aaa								
Civil service									
Number of exams given	2	4	3	4	2	5	2	-	2
Security of persons and property									
Police									
Number of traffic citations issued	3,553	3,642	4,826	5,005	2,792	2,547	1,906	1,887	1,575
Number of parking citations issued	496	522	250	297	376	365	365	214	166
Number of criminal arrests	520	728	683	1,449	263	286	293	196	216
Prisoners	2,036	3,147	2,177	5,017	2,130	3,932	3,913	4,081	3,842
Fire									
EMS calls	N/A	1,100	1,159	1,260	1,249	1,413	1,345	1,344	1,498
Fire and fire related calls	N/A	540	451	600	426	444	410	352	314
Community development									
Grant monies received due to Economic Development Dept.	\$ 24,639	\$ 134,666	\$ 174,762	\$ 91,488	\$ 153,450	\$ 12,880	\$ -	\$ 131,535	\$ 108,000

(Continued)

# City of Bedford Heights, Ohio

## Operating Indicators by Function/Program (1) (Continued)

### Last Nine Years

**Table 18**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Basic utility services</b>									
Refuse disposal per year (in tons)									
August-July	3,327	3,042	4,000	3,267	3,183	3,017	2,972	2,951	2,751
Refuse disposal costs per year	\$ 287,418	\$ 270,772	\$ 272,855	\$ 288,997	\$ 296,990	\$ 336,265	\$ 421,028	\$ 413,469	\$ 412,061
Annual recycling tonnage	231	280	220	298	306	364	374	269	306
<b>Transportation</b>									
Snowfall in inches	69.80	98.60	95.80	108.40	34.60	75.70	83.70	87.00	83.00
Tons of salt used	4,050	4,256	4,100	4,759	4,700	3,850	4,199	3,129	3,019
Asphalt used in road maintenance (tons)	410	525	475	310	235	115	70	104	89
Concrete used in road maintenance (yards)	250	295	275	320	335	201	210	180	145
Number of trees planted per year	130	35	33	45	40	45	25	10	48
Number of trees removed per year	78	49	63	73	60	83	82	71	12
<b>Wastewater treatment plant</b>									
Wastewater rates per 1st 300 Cu ft of water used	0.913	0.913	0.913	0.913	0.913	0.913	0.913	0.913	0.913
Total flow of wastewater treatment plant (billions of gallons)	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500

(1) Information prior to 2002 is not available.

# City of Bedford Heights, Ohio

## Capital Assets Statistics by Function/Program (1)

### Last Nine Years

**Table 19**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/program									
General government									
City Hall square footage	23,760	23,760	23,760	23,760	23,760	23,760	23,760	23,760	23,760
Administrative vehicles	1	1	1	2	2	2	2	2	2
Inspection vehicles	-	-	-	2	2	2	2	2	2
Security of persons and property									
Police									
Stations	1	1	1	1	1	1	1	1	1
Square footage of Police Station	18,822	18,822	18,822	18,822	18,822	18,822	18,822	18,822	18,822
Square footage of Jail Facilities	24,425	24,425	24,425	24,425	24,425	24,425	24,425	24,425	24,425
Vehicles	21	21	21	21	19	19	19	19	19
Fire									
Stations	1	1	1	1	1	1	1	1	1
Square footage of station	*	*	*	*	*	*	*	*	*
Vehicles	8	8	8	8	8	8	8	8	8
Leisure time activities									
Number of Parks	9	9	9	9	9	9	9	9	9
Number of Pools	2	2	2	2	2	2	2	2	2
Square Footage of									
Community Center	70,233	70,233	70,233	70,233	70,233	70,233	70,233	70,233	70,233
Vehicles (vans/buses)	3	3	3	3	3	3	3	3	3
Basic utility services									
Public works									
Streets (miles)	42	42	42	42	42	42	42	42	42
Service vehicles	28	28	28	28	29	29	29	31	31
Wastewater treatment plant									
Sanitary sewers (miles)	37	37	37	37	37	37	37	37	37
Storm sewers (miles)	37	37	37	37	37	37	37	37	37
Square footage of treatment plant	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,070
Vehicles	9	9	9	9	9	9	9	9	9

(1) Information prior to 2002 is not available

\* Square footage of fire station is included with square footage of City Hall.



# Dave Yost • Auditor of State

CITY OF BEDFORD HEIGHTS

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 14, 2011