

B37645

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
CITY OF BEDFORD  
LAWRENCE COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
10/13/2010



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4-5
Notes to Financial Information .....	6-7
Supplementary Information:	
Schedule of Capital Assets.....	8
Schedule of Long-Term Debt .....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Julie Blackwell-Chase	01-01-08 to 12-31-11
Mayor	Shawna M. Girgis	01-01-08 to 12-31-11
President of the Common Council	Byron L. Buker	01-01-08 to 12-31-10
President of the Board of Works	Shawna M. Girgis	01-01-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF BEDFORD, LAWRENCE COUNTY, INDIANA

We have examined the financial information presented herein of the City of Bedford (City), for the period of January 1, 2008 to December 31, 2009. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 8, 2010

CITY OF BEDFORD  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 327,434	\$ 10,934,623	\$ 10,922,433	\$ 339,624
Levy Excess	11,887	-	-	11,887
Rainy Day	-	50,711	-	50,711
Motor Vehicle Highway	252,771	1,743,023	1,692,460	303,334
Local Road and Street	40,342	76,336	79,100	37,578
Park and Recreation	221,011	1,687,964	1,766,511	142,464
Federal Grant	1,386	28,502	28,514	1,374
Law Enforcement Continuing Education	9,658	12,919	11,381	11,196
Non-Reverting Electronic Map Generation	961	9	-	970
State Grant #5	-	165,149	165,149	-
Parks Non-Reverting Operating	15,243	58,473	48,432	25,284
Golf Carts Non-Reverting	-	14,917	-	14,917
Otis Park Trust	4,964	8,452	-	13,416
Non-Reverting Funds Otis Park	39,227	105,919	90,849	54,297
Non-Reverting Funds John Lowery Pool	5,855	8,894	5,000	9,749
K-9	8	357	365	-
2003 Dare	5,836	10,921	8,745	8,012
Drug Free	78	6,500	6,501	77
Crime Control	5,000	38,950	38,950	5,000
Fire Prevention	1,437	3,576	4,976	37
Housing Rehabilitation HD 004-002	33,628	816	-	34,444
Micro Loan Program	4,193	835	-	5,028
Alarms	239	-	-	239
Otis Bandshell CF-04-237	6,758	-	6,758	-
Depot Contract R27880	4,867	-	4,867	-
Convention Center Planning Grant	16	-	16	-
Fire Equipment Debt	440,000	185,107	619,742	5,365
Tax Increment Financing Debt 1	319,260	-	-	319,260
Tax Increment Financing Debt 2	79,751	565,910	79,751	565,910
Cumulative Capital Improvement	140,367	44,774	44,337	140,804
Cumulative Capital Development	278,477	533,673	499,095	313,055
Non-Reverting Transit Capital	101,754	46,646	62,653	85,747
Fire Equipment	20,000	-	-	20,000
TIF Capital Project	2,799,215	4,385,904	4,275,194	2,909,925
Proprietary Funds:				
Wastewater Utility - Operating	230	2,133,735	2,087,383	46,582
Wastewater Utility - Depreciation	82,345	296,400	331,200	47,545
Wastewater Utility - Insurance	75,566	18,522	37,069	57,019
Wastewater Utility - Bond and Interest	657,116	384,000	640,490	400,626
Wastewater Utility - Cash Reserve	61,350	-	-	61,350
Wastewater Utility - Bio Solid	32,236	75,000	73,873	33,363
Water Utility - Operating	244,280	2,848,055	2,779,278	313,057
Water Utility - Bond and Interest	590,701	408,000	402,525	596,176
Water Utility - Depreciation	208,186	60,000	-	268,186
Water Utility - Customer Deposit	170,515	40,240	34,845	175,910
Water Utility - Tower	100,260	162,000	-	262,260
Water Utility - Insurance	58,400	61,079	45,775	73,704
Storm Water Utility - Operating	2,772	2	869	1,905
Trash Utility - Operating	-	20,184	-	20,184
Fiduciary Funds:				
Police Officers' Pension	6,701	896,780	830,367	73,114
Firefighters' Pension	-	981,056	883,192	97,864
Payroll	197,211	12,244,830	11,845,184	596,857
Totals	<u>\$ 7,659,492</u>	<u>\$ 41,349,743</u>	<u>\$ 40,453,829</u>	<u>\$ 8,555,406</u>

The accompanying notes are an integral part of the financial information.

CITY OF BEDFORD  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 339,624	\$ 10,805,234	\$ 9,982,298	\$ 1,162,560
Levy Excess	11,887	11,000	11,000	11,887
Rainy Day	50,711	314,964	182,834	182,841
Motor Vehicle Highway	303,334	1,838,900	1,486,251	655,983
Local Road and Street	37,578	143,205	138,313	42,470
Park and Recreation	142,464	1,692,176	1,579,758	254,882
Federal Grant	1,374	1,044	2,418	-
FEMA Grant - 2008-FO-10974	-	51,176	50,877	299
Law Enforcement Continuing Education	11,196	39,326	34,954	15,568
Non-Reverting Electronic Map Generation	970	-	-	970
State Grant #5	-	161,425	161,425	-
Parks Non-Reverting Operating	25,284	92,531	82,114	35,701
Golf Carts Non-Reverting	14,917	47,621	29,051	33,487
Otis Park Trust	13,416	26,157	21,399	18,174
Non-Reverting Funds Otis Park	54,297	207,855	228,948	33,204
Non-Reverting Funds John Lowery Pool	9,749	30,095	24,887	14,957
K-9	-	100	100	-
2003 Dare	8,012	14,111	10,109	12,014
Drug Free	77	9,000	9,066	11
Crime Control	5,000	4,938	4,938	5,000
Fire Prevention	37	3,805	3,197	645
Housing Rehabilitation HD 004-002	34,444	65,880	64,330	35,994
Micro Loan Program	5,028	11,081	10,250	5,859
Alarms	239	625	-	864
Fire Equipment Debt	5,365	225,861	229,520	1,706
Tax Increment Financing Debt 1	319,260	-	-	319,260
Tax Increment Financing Debt 2	565,910	141,752	391,714	315,948
Cumulative Capital Improvement	140,804	298,014	319,097	119,721
Cumulative Capital Development	313,055	432,173	446,050	299,178
Non-Reverting Transit Capital	85,747	169,000	184,201	70,546
Fire Equipment	20,000	20,000	40,000	-
TIF Capital Project	2,909,925	24,731	404,803	2,529,853
TIF Redevelopment District	-	698,896	-	698,896
Bedford Redevelopment Commission	-	25,000	-	25,000
<b>Proprietary Funds:</b>				
Wastewater Utility - Operating	46,582	2,265,314	2,258,305	53,591
Wastewater Utility - Depreciation	47,545	296,400	13,604	330,341
Wastewater Utility - Insurance	57,019	4,550	35,653	25,916
Wastewater Utility - Bond and Interest	400,626	384,000	382,660	401,966
Wastewater Utility - Cash Reserve	61,350	-	61,350	-
Wastewater Utility - Bio Solid	33,363	80,000	66,864	46,499
Wastewater Utility - In Lieu of Taxes	-	148,308	148,308	-
Water Utility - Operating	313,057	2,940,795	3,100,522	153,330
Water Utility - Bond and Interest	596,176	408,000	404,260	599,916
Water Utility - Depreciation	268,186	70,000	-	338,186
Water Utility - Customer Deposit	175,910	38,880	34,515	180,275
Water Utility - Tower	262,260	162,000	-	424,260
Water Utility - Insurance	73,704	4,030	42,193	35,541
Water Utility - In Lieu of Taxes	-	114,252	114,252	-
Token Sales	-	6,717	5,936	781
Storm Water Utility - Operating	1,905	900	2,315	490
Trash Utility - Operating	20,184	835,177	704,955	150,406
<b>Fiduciary Funds:</b>				
Police Officers' Pension	73,114	745,926	739,627	79,413
Firefighters' Pension	97,864	778,303	783,017	93,150
Payroll	596,857	12,187,578	11,648,128	1,136,307
<b>Totals</b>	<u>\$ 8,555,406</u>	<u>\$ 39,078,806</u>	<u>\$ 36,680,366</u>	<u>\$ 10,953,846</u>

The accompanying notes are an integral part of the financial information.

CITY OF BEDFORD  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety (police and fire), highway and streets, culture and recreation, public improvements, planning and zoning, urban redevelopment, water, wastewater, storm water, trash and general administrative services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF BEDFORD  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF BEDFORD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 667,320
Buildings	1,266,385
Improvements other than buildings	21,692,445
Machinery and equipment	<u>5,612,766</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 29,238,916</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 42,500
Buildings and improvements	8,198,428
Machinery and equipment	<u>2,060,613</u>
 Total Water Utility capital assets	 <u>10,301,541</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	42,500
Buildings and improvements	6,611,648
Machinery and equipment	<u>1,627,290</u>
 Total Wastewater Utility capital assets	 <u>8,281,438</u>
 Total business-type activities capital assets	 <u>\$ 18,582,979</u>

CITY OF BEDFORD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire truck	\$ 253,271	\$ 53,816
Electric golf carts	186,891	35,892
Golf mowing equipment	159,368	50,079
Notes and loans payable	65,337	74,155
Bonds payable:		
Revenue bonds:		
Tax increment revenue bonds of 2007	<u>3,100,000</u>	<u>158,975</u>
Total governmental activities debt	<u>\$ 3,764,867</u>	<u>\$ 372,917</u>
Business-type activities:		
Water Utility:		
Capital leases:		
Water meter equipment	\$ 3,281,253	\$ 336,295
Notes and loans payable:		
Water revolving loan	3,795,000	400,778
Wastewater Utility		
Capital leases:		
Garbage truck toters	600,000	136,459
Notes and loans payable:		
Wastewater revolving loan	<u>3,260,000</u>	<u>379,513</u>
Total business-type activities debt	<u>\$ 10,936,253</u>	<u>\$ 1,253,045</u>

CITY OF BEDFORD  
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2010, with Shawna M. Girgis, Mayor; Julie Blackwell-Chase, Clerk-Treasurer; and Lisa Zehr, Deputy Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.