



**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**Auditor of State
Betty Montgomery**

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$83,660	\$0	\$99,965
School Breakfast Program	043562-05PU-2004	10.553	25,565	0	25,565	0
	043562-05PU-2005	10.553	68,812	0	68,812	0
Total School Breakfast Program			94,377	0	94,377	0
National School Lunch Program	043562-LLP4-2004	10.555	144,556	0	144,556	0
	043562-LLP4-2005	10.555	292,278	0	292,278	0
Total National School Lunch Program			436,834	0	436,834	0
Total U.S. Department of Agriculture - Nutrition Cluster			531,211	83,660	531,211	99,965
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	043562-6BSF-2004	84.027	22,831	0	50,138	0
	043562-6BSF-2005	84.027	683,929	0	722,379	0
Total Special Education Grants to States			706,760	0	772,517	0
Special Education: Preschool Grants	043562-PGS1-2005	84.173	28,650	0	32,359	0
Total Special Education Cluster			735,410	0	804,876	0
Title I Grants to Local Educational Agencies	043562-C1S1-2004	84.010	10,699	0	61,457	0
	043562-C1S1-2005	84.010	402,848	0	397,381	0
	043562-C1SD-2004	84.010	8,939	0	11,879	0
	043562-C1SD-2005	84.010	1,937	0	149	0
Total Title I Grants to Local Education Agencies			424,423	0	470,866	0
Vocational Education: Basic Grants to States	20C1-2004	84.048	96,772	0	8,379	0
	20C1-2005	84.048	115,601	0	149,038	0
Total Vocation Education: Basic Grants to States			212,373	0	157,417	0
Safe and Drug-Free Schools and Communities State Grants	043562-DRS1-2004	84.186	(1,697)	0	69	0
	043562-DRS1-2005	84.186	11,051	0	11,728	0
Total Safe and Drug-Free Schools and Communities State Grants			9,354	0	11,797	0
Innovative Education Program Strategies	043562-C2S1-2004	84.298	1,951	0	6,333	0
	043562-C2S1-2005	84.298	13,898	0	14,733	0
Total Innovative Education Program Strategies			15,849	0	21,066	0
Education Technology State Grants	043562-TJS1-2004	84.318	(1,384)	0	48	0
	043562-TJS1-2005	84.318	6,516	0	6,862	0
Total Education Technology State Grants			5,132	0	6,910	0
Comprehensive School Reform Demonstration	043562-RFCC-2005	84.332	5,051	0	3,393	0
	043562-RFS2-2003	84.332	23,914	0	28,665	0
	043562-RFS3-2004	84.332	81,000	0	77,732	0
Total Comprehensive School Reform Demonstration			104,914	0	106,397	0
English Language Acquisition Grants	043562-T3S1-2005	84.365	4,107	0	4,107	0
			4,107	0	4,107	0
Improving Teacher Quality State Grants	043562-TRS1-2004	84.367	16,081	0	30,864	0
	043562-TRS1-2005	84.367	119,496	0	119,440	0
Total Improving Teacher Quality State Grants			135,577	0	150,304	0
Total U.S. Department of Education			1,647,139	0	1,737,847	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medicaid Assistance Program	N/A	93.778	223,777	0	223,777	0
State Children's Health Insurance Program	N/A	93.767	30,846	0	30,846	0
Total U.S. Department of Health and Human Services			254,623	0	254,623	0
Total Federal Assistance			\$2,432,973	\$83,660	\$2,523,681	\$99,965

The accompanying notes to this schedule are an integral part of this schedule.

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B—CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants and local monies. It is assumed federal monies are expended first.

NOTE C – NEGATIVE RECEIPTS

The negative receipts shown for the Education Technology, CFDA #84.318, in the amount of \$1,384 and the Safe and Drug-Free Grant, CFDA #84.186, in the amount of \$1,697, represent amounts that were transferred or refunded to the State due to expiration of the period of availability.

CFDA – Catalog of Federal Domestic Assistance



**Auditor of State
Betty Montgomery**

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

Board of Education
Bedford City School District
Cuyahoga County
475 Northfield Road
Bedford, Ohio 44146

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 9, 2005. 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 District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 9, 2005, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the District'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*. In a separate letter to the District's management dated December 9, 2005 we reported a matter related to noncompliance we deemed immaterial.

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Bedford City School District
Cuyahoga County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

December 9, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Bedford City School District
Cuyahoga County
475 Northfield Road
Bedford, Ohio 44146

Compliance

We have audited the compliance of the Bedford City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance, not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 9, 2005.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Bedford City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 9, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education and federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 9, 2005

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: CFDA# 84.027 – Grants to States 84.173 – Preschool 84.367 – Improving Teacher Quality 93.778 – Medicaid Assistance Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2005
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	Several funds had expenditures plus encumbrance in excess of appropriations	Yes	
2004-002	One fund had appropriations in excess of total estimated revenue	No	Partially correct as two funds had appropriations in excess of total estimated revenue. This matter was reported in the 2005 management letter
2004-003	Appropriations were not established for the required funds in a timely manner	Yes	

Bedford City School District

Bedford, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005

Prepared by:

Mary Ann Nowak
Treasurer

Donald E. Houghton, Jr.
Assistant Treasurer

Bedford City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2005

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BEDFORD CITY SCHOOL DISTRICT

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December 9, 2005

Board of Education Members and Residents of
Bedford City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Bedford City School District for the fiscal year ended June 30, 2005. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Bedford City School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the officials of Bedford, Bedford Heights, Walton Hills, Oakwood, the Cuyahoga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and the Government Finance Officer's Association (GFOA) Certificate of Achievement.
2. The Financial Section which begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements for nonmajor funds, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data, financial trends and the fiscal capacity of the Bedford City School District.

The School District

The Bedford City School District is located in northeastern Ohio, approximately 15 miles southeast of downtown Cleveland. The School District includes the City of Bedford, most of the City of Bedford Heights, and all of the villages of Oakwood and Walton Hills. The District's geographical area encompasses approximately 25 square miles.

Formed as Township 6 in Range 11 of the Western Reserve of Ohio in 1823, Bedford Township consisted of what today is known as the five communities of Bedford, Bedford Heights, Oakwood, Walton Hills and Maple Heights. In 1837, the Village of Bedford was formed from the center of the Township and for

the next 70-plus years, the two communities – Village of Bedford and Bedford Township – coexisted. In 1915, residents of the northwest corner of Bedford Township formed a separate municipality, to be called the Village of Maple Heights, with its own separate school district. In 1951, Bedford Township as a government ceased to exist when the Villages of Bedford Heights, Oakwood and Walton Hills were formed from the remaining areas. Today, the School District serves as a common bond, linking the four communities of Bedford, Bedford Heights, Oakwood and Walton Hills.

Bedford City School District is one of the 613 school districts in the State of Ohio and one of 33 in Cuyahoga County. The School District provided, as of June 30, 2005, education to 3,840 students in grades K-12. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide services authorized by charter and further mandated by State and Federal agencies.

Reporting Entity

The Bedford City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity”. In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, and agencies that make up the Bedford City School District. For Bedford City School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District has no component units. Excluded from the reporting entity because they are fiscally independent of the School District are the City of Bedford, City of Bedford Heights, the Villages of Oakwood and Walton Hills, the Cuyahoga County Public Library, the Parent Teacher Association and the non-public school districts located in the School District. The governing bodies of these entities are not appointed by the School District, nor are they fiscally dependent on the School District.

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers’ Compensation Group Rating Program, the Lakeshore Northeast Ohio Computer Association and the Ohio Schools Council Association. These organizations are presented in Notes 17 and 19 of the notes to the basic financial statements.

A complete discussion of the School District’s reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District is well-located at the conjunction of Interstate Highways 480 and 271. Downtown Cleveland is 20 minutes away, and all the major metropolitan areas of Ohio are directly accessible via the interstate system. Residential property is middle class, and properties are well kept. The tax base of \$855,574,852 is divided among the four municipalities making up the School District in the following manner: Bedford 35 percent, Bedford Heights 31 percent, Oakwood Village 14 percent and Walton Hills 20 percent. Approximately 43 percent of the tax base is residential real property, 20 percent is personal tangible property, 5 percent is public utility tangible property and 32 percent is commercial/industrial property. Each of the four municipalities actively encourages the maintenance and growth of the tax base. The City of Bedford administration continues to be involved with the Bedford Community Development Corporation a 501C (3) organization dedicated to the renovation and expansion of its Historic Downtown Business District and at the same time helping to promote future growth and development of the entire

City's Industrial areas. The City of Bedford has on hand an Economic Development Director to promote economic and community development throughout the City of Bedford.

The City of Bedford established an Enterprise Zone, which included all land within the boundaries of the City of Bedford in April 1990. The City established a Community Reinvestment area in 1997, which also included all land within the boundaries of the City of Bedford. The establishment of the Enterprise Zone and the Community Reinvestment areas gave the City the ability to maintain and expand business located in the City and created new jobs.

The City of Bedford is starting a new industrial development park in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. This is a Brownfield site and is to be developed by receiving grants from the Cuyahoga County Brownfield Fund, Brush Wellman prior owners of the site, the State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI grant).

Ben Venue Laboratories, Inc., the City of Bedford's largest employer was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Boehringer Ingelheim is privately held and is the 19th largest pharmaceutical company in the world having more than 28,000 employees with locations on every continent. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has many highly automated manufacturing facilities located in Columbus, Ohio (Roxanne Laboratories), Mexico City, Mexico and Barcelona, Spain. On August 17, 2001 Ben Venue Laboratories was approved by the City for abatement in the Community Reinvestment area regarding Real Estate development and applied for a tax exemption on recovered property through the City's Enterprise Zone program. Ben Venue Laboratories expanded its facilities by 165,000 square feet for manufacturing operations of pharmaceutical products. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue has the number one market position in this core business and has the largest capacity for manufacturing lyophilized (freeze-dried) and vacuum-dried injectable drugs in the United States. Since 1995, Ben Venue obtained over 70 Abbreviated New Drug Applications ("ANDA") approvals for injectable drugs from the FDA, more than any other firm, and has become a major player in the injectable pharmaceutical industry. Ben Venue wishes to continue to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the Community.

Another company in the City of Bedford, the Ganley Real Estate Company expects to construct a new building; approximately 34,000 square feet (\$2.04 million), to expand its Volkswagen operations. The company intends to purchase \$925,000 in new machinery and equipment, \$75,000 in furniture and fixtures and \$4,000,000 in new inventory. The total investment shall not be less than \$6 million. Equipment totaling \$600,000 will be transferred from another City. The Company is expected to create 50 new jobs and retain the 42 jobs already existing in Ohio for an additional payroll of \$1.9 million.

The City of Bedford Heights' twenty year development produced several important industrial clusters within the 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 2005, the City of Bedford Heights' economic conditions have slowed along with the regional economies of Northeast Ohio. Sales for the steel distribution cluster consisting of Olympic Steel, Majestic Steel USA, and EMJ Steel have increased to higher levels comparable to fiscal 2002.

SYSCO Food Services located on Aurora Road closed in August of 2004. The Company announced its plans to leave in fiscal year 2003 and relocate to a site in the City of Cleveland. This was a direct result of the lack of a single fifty-five acre vacant site in the City of Bedford Heights.

The City of Bedford Heights' only hotel, the Red Roof Inn (a 168 room, full service hotel located on Rockside Road) continues to struggle. The decreased demand for rooms at the Red Roof Inn was a result of reduced attendance at the Six Flags/Geauga Lake Amusement Park in Aurora. Additionally, 200 new hotel rooms added at the Chagrin Highlands in Aurora in fiscal year 2004 further effected occupancy. Because of these factors, the facility's previous owners defaulted on their financing and the hotel is now under foreclosure proceedings. In the interim, the receiver has hired a hotel management company who has made improvements to the property.

The leaders of the City of Bedford Heights continue to use the City's Master Plan as a guide for redeveloping two important areas of the City. The first was formerly known as the "City Center Area" but is now called the "Gateway Triangle". This area consists of the triangle formed by Rockside and Aurora Roads. At that time the Owners of Trinity Towers Apartment complex completed a large scale remodeling project of the 499 unit complex. Since that time the City has secured over \$450,000 in grant funds to build streetscape improvements along both thoroughfares. Aggressive City code enforcement caused Carrols Corporation to make a major reinvestment in their Burger King restaurant. Marathon Oil razed their Speedway Gas Station and constructed a new gasoline station convenience store combination. The store's brick walls were designed to match the new streetscape design and blend into the commercial area.

In fiscal year 2004, the City of Bedford Heights added over \$200,000 in streetscape improvements along Aurora Road to the I-271 overpass. The work will stimulate approximately \$10,000 in private investment on the frontage of a major mobile home park. Two vacant non-conforming buildings will also be razed on Aurora Road with hopes of stimulating a new commercial use.

Another focus identified in the City of Bedford Heights' Master Plan is development of vacant commercial property at the southern portion of the City. This property was rezoned to a light industrial classification in 2001. The City is currently pursuing a new small industrial park on an eighteen acre parcel off of Solon Road. Approximately three potential companies have been identified and have interest in building on site.

Although not identified in the Master Plan, the City of Bedford Heights is also working with the owner of a vacant thirty-five acre parcel along Miles Road. The City's Department of Economic and Community Development is working with the property owners and is optimistic that it can pursue alternate sources of funding to help develop the site for new commercial/industrial users.

The State Issue II project to reconstruct Northfield Road (a partnership between the cities of Maple Heights and Bedford Heights) started in April 2004. Completion is expected in late 2005. Some of the Bedford Heights' retail vacancies along this corridor have been attributed to last years' waterline replacement and the upcoming roadway construction. However, the new reality of "Big Box" retail and other changes in retailing may make it difficult for small retailers to compete along Northfield Road in the future.

The Village of Oakwood continues to experience upscale commercial development moving from a community which was reliant on smokestack industries, landfills and truck terminals for its revenue to one predicated upon knowledge and technology.

The Village of Oakwood's Geis Companies of Streetsboro, through Broad Oak Development began its investment of approximately \$12,500,000 in the Village in the development of a business park on a 27

acre site on Broadway Avenue. Phase I of a three year project commenced in early spring of 2003. Upon completion, these attractive, high-bay, multi-tenant buildings will offer 325,000 square feet of desirable lease space.

The Village of Oakwood is also home to the King Group who is developing Access Point at First Place. It is a mini-life science park with eight companies specializing in the fields of biomedical engineering, prescription medicine, medical equipment and life science research. It is comprised of six attractive one-story flex buildings totaling approximately 165,000 rentable square feet. The park currently has a 90 percent occupancy rate.

Oakwood Office Glen is located on Forbes Road. The plan calls for 4 two-story 14,000 square foot buildings designed by the Howe Group. The first of four buildings has a shared occupancy with Howe Group, Chagrin Valley Engineering and Open Systems of Cleveland. Its high aesthetic appeal offers users feelings of connection with the earth and reinforces the thought that “the places where we spend our time affect the people we are and can become”.

The Village of Oakwood is to be the future home of Tartabini Office Park. Magnificent landscaping will provide a campus-like setting for this office park. The site adjoins the five mile fitness trail network which has been recognized nationally. The Oakwood Community Park, Mt. Zion of Oakwood Village, delicatessens and eateries, daycare facilities, the Holiday Inn Express, Roseland Bowling Lanes and Turle’s Gymnastic Center are all easily accessible from this site. The Village is open to discussion in connection with offering aggressive and creative tax incentives to high end companies, lowering overall occupancy cost.

General Information

As of June 30, 2005, 3,840 students were enrolled in the School District’s seven schools (two primary schools, two intermediate schools, one sixth grade school, one middle school and one high school). For the last complete academic year the average class size was 18.2 students. The School District’s five year plan forecasts total enrollment to remain stable. As of June 30, 2005, the School District employed (full and part-time) 307 professional staff members and 295 non-teaching and support staff employees. The School District operates a variety of facilities to complement the educational program. These include athletic facilities, a central administration building, a maintenance facility and a transportation facility.

The high school is fully accredited by the North Central Association of Colleges and Schools. The curriculum offers a wide range of electives and comprehensive courses of study in college preparatory, career and technical education and physical education programs. A full range of extracurricular programs and activities is offered. All School District schools have library/media centers, lunch programs and multipurpose rooms or gymnasiums for student activities. The Board cooperates with community organizations in making School District facilities available for evening athletic, recreational and enrichment activities.

Classroom teachers at all levels are supported by specialists in reading, guidance, art, music and physical education. All elementary schools have teacher aides. Nurses, psychologists, aides assisting disabled students, and speech pathologists are employed to work with students at all levels. The School District’s Pupil Personnel Services program includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, and speech-language and hearing services. Guidance counselors are available at all school levels.

The School District operates a comprehensive career and technology education curriculum in cooperation with the adjacent Maple Heights City School District. Career and technology education students attend either the School District’s Bedford High School or Maple Heights High School. Career and technology

education courses offered by the School District include: Biotechnology, Health Sciences/Prenursing, Computerized Accounting, Microsoft Office, Cooperative Business Education, Occupational Work Experience, Occupational Work Adjustment, Diversified Cooperative Training, Marketing Education, Automotive Technology, Quick-Serve Automotive Care, CCSCO Network Academy, Community Job Skills, Cosmetology, Home Improvement and Maintenance, Graphic Communications and Family Consumer Science.

The School District offers a program of instruction for students identified as gifted and talented in grades K through 12. Students are evaluated for entry into this program based on Ohio Department of Education criteria involving IQ and achievement test scores. In the areas of music, art, drama and dance, students are evaluated on other criteria established by the Ohio Department of Education.

The educational program is based on a “graded structure.” The primary and intermediate school buildings house three or four grades each, instead of the traditional K through 6 or 8. This provides for a more efficient use of teaching personnel and equipment. The School District has six buildings in use between ten and twenty-five years old, ten buildings between twenty-five and fifty years old and four buildings over fifty years old. They also use seven modular classrooms which are under five years old to hold classes.

Academic Program Highlights

During the 2004-2005 school year, the Bedford Schools focused extensively on developing, improving, and refining educational services to improve students’ academic success. Among the accomplishments in this area were the following:

- Bedford High School moved up to the “Effective” rating on the Ohio Report Card, with a performance Index Score of 91.1. By doing so, the School District demonstrated its continuous upward trend in academic achievement for all students. As a district, Bedford Schools earned the status of “Continuous Improvement” with a Performance Index score of 82.5. The Performance Index is a composite measure of the level of performance of every student in all tested subjects.
- Helping students build the skills needed to pass the Ohio Graduation Test (OGT) was a primary focus at Heskett Middle School. The OGT prep course focused on math, reading and writing skills as well as test-taking strategies.
- An after-school tutoring program was established for students who needed to build math and language arts skills. The students utilized a leading reading and math computer program that allows them to take on more challenging material as they progress through the program.
- An alternate school program was established for eighth grade students who were struggling in the traditional day-school setting. The program enables students to take on-line computerized courses using a fully approved internet-based curriculum to help students develop basic skills without dealing with the distractions of the traditional day-school settings.
- A new teaching position was added at Aurora school to help students who needed to increase achievement in math and reading. Students working with the math and reading interventionist on a weekly basis. The program will continue for the 2005-2006 school year.
- A partnership with Bedford High School’s, Teens Who Listen and Care Program (TLC), helped Aurora students to foster greater understanding and appreciation for the differences among people. With the help of the National Conference for Community and Justice (NCCJ), the TLC

members were trained to work with Aurora students in addressing issues of race, gender, and individuals with disabilities. This helped prepare Aurora students to deal with these and many other diversity issues as they progress through school and life.

- Students Taking Extra Preparation Sessions (STEPS) was established at Aurora School. The program utilized the skills and talents of retired teachers who designed customized lessons for students who were identified as needing additional preparation for achievement tests. The teachers worked with the students in small group settings to help them get ready for the tests, which were given in the spring.
- An after-school tutoring program was launched at Columbus Intermediate School for students who would most benefit from the additional help in mastering basic math skills. Students met after school for one and a half hours three days a week for about six weeks to concentrate their efforts in math.
- Several programs were established at Columbus School. “Mighty Men” utilized community members who served as tutors and mentors for young men who needed to improve their grades and behaviors. Big Brothers/Big Sisters utilized Bedford High School student volunteers who worked one-on-one with students to help them improve their organizational skills and to encourage them to do better in school. The Kings and Queens program provided opportunities for members of the community to work with fifth grade students to improve their behavior.
- Using grant funds, an after-school tutoring program was expanded to include third, fourth, and fifth grade students during the fall and winter at both Carylwood and Columbus schools. Students stayed after school and worked with teachers to sharpen skills in the areas of reading comprehension, word pronunciation, and reading fluency. Transportation home was provided.
- To prepare for statewide math testing, about two dozen students met after school in January as the Bearcat Math Club. Participants solved math problems, wrote explanations of how and why the problems were solved as they were, and related what they were learning to real-life experiences. They also created crafts and played games using measurement skills.
- Students at Carylwood and the School District’s other elementary schools participated in a computerized assessment program. The Measurement of Academic Progress (MAP) helped to determine students’ individual growth in reading and math and identified areas where teachers could provide more instruction.
- For the first time, all kindergartners at Central and Glendale School participated in the full-day kindergarten program. The program expansion was funded through Title I funds. Students benefited from small classes of about 12 students for half-a-day for the first half of the year and then attended for the full school day with a class of about 24 students during the second half of the year. The half-day/full-day arrangement enabled teachers to focus on students’ individual needs as they worked to prepare them to be ready to read when then entered first grade and to allow additional time for math instruction.
- “Successful Tips for Busy Parents” was the focus of a parent workshop series held at Central in March, April, and May 2005. The workshops were an outgrowth of the school’s Continuous Improvement Plan to increase the involvement of Central parents in their children’s education. Central plans to continue the workshops in the 2005-2006 school year.
- Helping students to understand the differences among people and to respect each other’s unique abilities was the focus of an assembly featuring Dancing Wheels. This dance group comprised of

dancers with and without disabilities gave a performance and afterward, discussed the unlimited possibilities for all people.

- Glendale's math program received a boost from employees of US Home Mortgage. Company employees visited Glendale each week to tutor kindergarten, first grade, and second grade students for about a half hour in math.

During the 2004-2005 school year, the Bedford Schools celebrated many successes among its students and staff. For example:

- In the area of sports, the boys' Varsity Basketball team took home the 2005 Lake Erie League championship title and advanced to the Sweet sixteen of the Ohio High School Division 1 Tournament. Also, Bedford High School swimmer **Caitlin Cormack** advanced to the Ohio High School Athletic Association State Swimming and Diving competition. She swam in the 200-yard individual medley.
- The 2005 Epic Yearbook "Fight the Power," was inducted into the Walsworth Publishing Company's Gallery of Excellence. The Gallery showcases yearbooks based on their comprehensive coverage, innovative design, and superior photography.
- **Joshua Blackwell** was one of about a dozen students from a pool of 1,000 applicants worldwide to participate in a 10-day science expedition to the Louisiana wetlands in January 2005. Joshua's involvement was an outgrowth of his participation in the JASON Project, a supplementary curriculum designed to engage students in math and science.
- Columbus teacher **Bret Johnson** and his wife, Glendale teacher, **Becky Johnson**, brought local history alive for elementary students by spending a week living in the historic Dunham House in Downtown Bedford. With support from the Southeast Library and the Bedford Historical Society, the couple welcomed the children into their "home" to provide them a first-hand view of life in Bedford in the mid 1800s, as part of the Dunham House Project. The effort helped students to understand their heritage, which is part of the social studies intermediate curriculum at the intermediate school level.

The 2004-2005 school year was one of many accomplishments in the area of communications, strategic planning, and facilities maintenance as well. For example:

- Bedford High School's Bearcat Stadium celebrated its 10th anniversary in August with a pre-game football program on the field. Bearcat Stadium-Stewart field features seating for 5,000 people, an eight-lane all-weather running track, artificial-turf football field, state-of-the-art press box, and a services support building. The stadium was made possible by passage of a 1.48-mill bond issue that also provided for improvements at Heskett Middle School and Bedford High School.
- Aurora began the school year with a new 25-station computer lab. Equipped with the latest multimedia and office products software, the lab was used to help students master math and science skills, do internet-based research, prepare for state-wide tests, use the school's Accelerated Reader software to improve reading skills, and check their progress in math and reading. Aurora teachers used the lab to track students' grades online and to complete lesson plans, operate e-mail, and increase communication with parents.
- Two new portable wireless computer labs were purchased for Columbus and Carylwood Intermediate Schools. The schools each now house 48 laptop computers that enable students to

participate in a variety of computerized learning activities, including Internet access, without ever having to leave their classrooms. The computers also helped students build basic computer skills, such as using word processing to type and produce written reports.

- Central celebrated its 100th anniversary as a school with a community birthday party in May 2005. More than 1,000 people attended, including former and current students, community residents, public officials, and special guests. They enjoyed tours of the building, treats that were popular in 1905, and performances by the Bedford High School Marching Band, the Bedford High School Barbershop Quartet, and Central students.
- Using Ohio Reads grant funds, Leap Pads and corresponding books were purchased for all classrooms. These materials were used to create new learning centers in each room as part of the language arts program. Each classroom also received 25 to 30 Accelerated Reader® books to add to their classroom collections. Accelerated Reader is a reading software program designed to help children improve their reading skills.
- To encourage physical fitness, Glendale School established a Walking Club. During lunch periods, volunteers from US Bank Home Mortgage took turns watching students and recorded their progress as they walked around a track that was painted on the playground. Glendale hopes to continue the Walking Club next school year.
- Glendale's Listening Dog Program expanded to include four therapy dogs that visit the school weekly and allow students to "read" to them. After a year of being involved with the Listening Dog Program, teachers acknowledged that growth in the students' ability to read aloud is evident.

Employees

As of June 30, 2005, the School District had 602 employees. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2005, 307 of the School District's employees were professionals (certified or licensed by the State Department of Education) serving as treasurer, assistant treasurer, business manager, classroom teachers, education specialists and certificated administrators, of whom all had at least a bachelor's degree and 54.7 percent or 168 held advanced degrees. The 2004-2005 starting salary for a teacher with a bachelor's degree was \$32,839; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$67,622. The average current base salary of a School District teacher for 2004-2005 was \$50,956, compared to a State average (Fiscal Year 2003) \$45,550.

All of the School District's teachers and educational specialists (excluding 22 administrators) are represented by the Bedford Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the Association became effective on July 1, 2004 and will be in effect through June 30, 2007.

All of the School District's classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the Ohio Association of Public School Employees ("OAPSE"), with the exception of 10 administrators and 3 confidential secretaries. A new contract was negotiated and will expire on December 31, 2006. There have been no work stoppages in the last 14 years. In the judgment of the Board of Education, labor relations with all of its employees are excellent.

Financial Information

Internal Accounting and Budgetary Control The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for the fiscal year. That appropriation becomes a "permanent" appropriation upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The amended certificate is usually received within three months of the beginning of the fiscal year. Appropriations are amended as needed thereafter. Usually, material changes in appropriations occur when additional resources are received in the Special Revenue Funds. However, it is the Treasurer's responsibility to recommend a decrease in appropriations in any fund if estimates of revenue fall below appropriation level.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the District Board of Education. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by a building or department administrator, the Business Manager and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides an on-line inquiry system available to every administrator. Every budgetary account is the specific responsibility of one of the District administrators. Administrators overseeing accounts have specific budgetary limits which are approved by the District Board of Education at the appropriation level. The Board of Education receives a monthly financial report which includes a list of all disbursements, a report on investments, the cash positions of all funds, and a budget-to-actual report (both month-to-date and year-to-date) on the general operating fund and the food service fund.

All employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond. The basis of accounting and the various funds utilized by the School District are fully described in Note 2 of the notes to the basic financial statements.

Financial Condition This is the fourth year the School District has prepared financial statements following GASB 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” GASB 34 creates new basic financial statements for reporting the School District’s financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented, in total, in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows the Independent Accountant’s Report, providing an assessment of the School District’s finances for 2005 and a discussion of current issues affecting the School District’s future.

Financial Highlights – Internal Service Funds The internal service funds carried on the financial records of the School District are a self-insurance and a computer warehouse fund. The self insurance fund accounts for the revenues and expenses related to the provision of employee health benefits, including prescription drug and dental. The computer warehouse fund accounts for the group purchasing and use of computer supplies, however, there was no activity in this account during the current fiscal year. The internal service funds had net assets of \$727,509 at June 30, 2005, compared with \$729,005 in 2004, reflecting a net decrease of \$1,496. Revenues and expenses have remained rather consistent with prior years.

Cash Management

The School District follows the board established investment policy to best utilize the cash balances for investment purposes. The School District’s deposits are collateralized by qualified securities pledged by the institution holding the assets. The majority of the School District’s investment activity is with the STAROhio investment pool offered by the State Treasurer’s Office.

Interest revenue in the governmental funds totaled \$325,033 for fiscal year 2005, of which \$308,180 was credited to the general fund, \$1,094 was credited to the auxiliary services special revenue fund and \$15,759 was credited to the building capital projects fund. Information regarding School District investments is found in Note 6 of the notes to the basic financial statements.

Independent Auditor

State statutes require the School District to be subjected to an annual examination by an independent auditor. The Auditor of State was selected to render an opinion on the School District’s financial statement as of June 30, 2005. An annual audit serves to maintain and strengthen the School District’s accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system

to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

The Governmental Finance Officers Association ("GFOA") of the United States and Canada awarded the Bedford City School District a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2004.

This was the eighth consecutive year that the School District has achieved the prestigious Certificate of Achievement. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The publication of this report continues the School District's commitment to professionalism in financial reporting. Appreciation is extended to the staff of the treasurer's department: Mrs. Loretta Dunkel, Payroll Specialist, Mrs. Bonnie Baschko, Accounts Receivable/Leave Accounting Specialist, and Mrs. Angelia Jordan-Webster, Accounts Payable Specialist. A school district cannot produce a CAFR without an efficient treasurer's department. The dedication and accurate work of these employees ensures a smooth day-to-day operation and the accurate maintenance of records. It is their work that makes a timely audit possible. These employees have made a major contribution toward the School District's 2005 CAFR. The 2005 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

Layout and production of the 2005 CAFR, as they have been since 1997, are credited to Mrs. Margaret Bierman, Communications Coordinator.

Special appreciation is expressed to the Local Government Services Section of State Auditor Betty Montgomery's office for assistance in the planning, designing and reviewing of this financial report.

Respectfully submitted,



Mary Ann Nowak
Bedford City School District Treasurer



Martha A. Motsco, Esq.
Superintendent of Schools

**Bedford City School District
Principal Officials
June 30, 2005**

Board of Education

Mr. Joseph Allie	President
Mrs. Barbara Patterson	Vice President
Mrs. Beth Housiaux-Steward	Member
Mrs. Debora J. Kozak	Member
Mr. Joseph Mestnik	Member

Treasurer

Mrs. Mary Ann Nowak

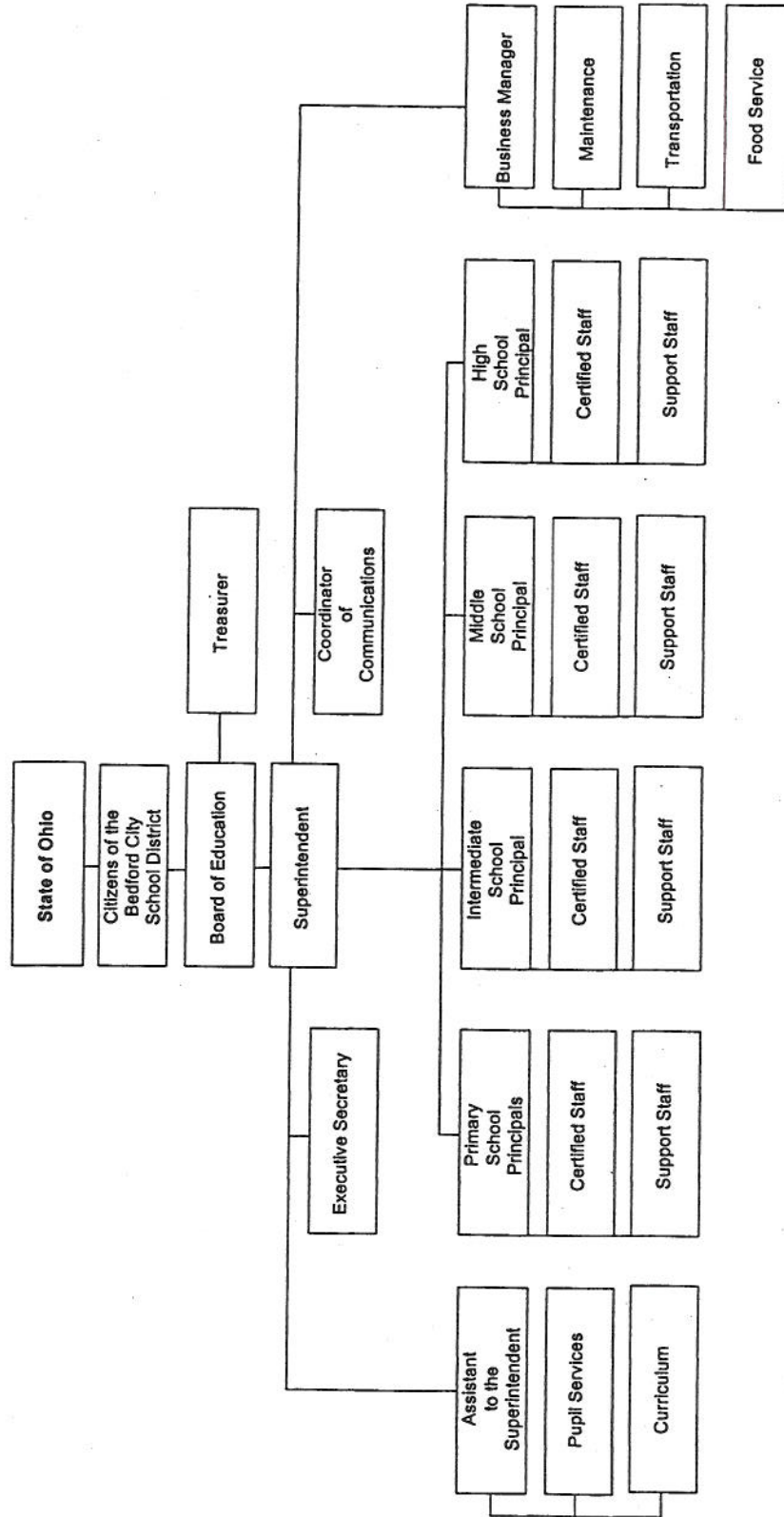
Assistant Treasurer

Mr. Donald E. Houghton, Jr.

Administration

Mrs. Martha Motsco, Esq.	Superintendent
Mr. Sherman Micsak	Assistant Superintendent
Mr. Jerry Zgrabik	Business Manager

Organizational Chart of the Bedford City School District



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bedford City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.

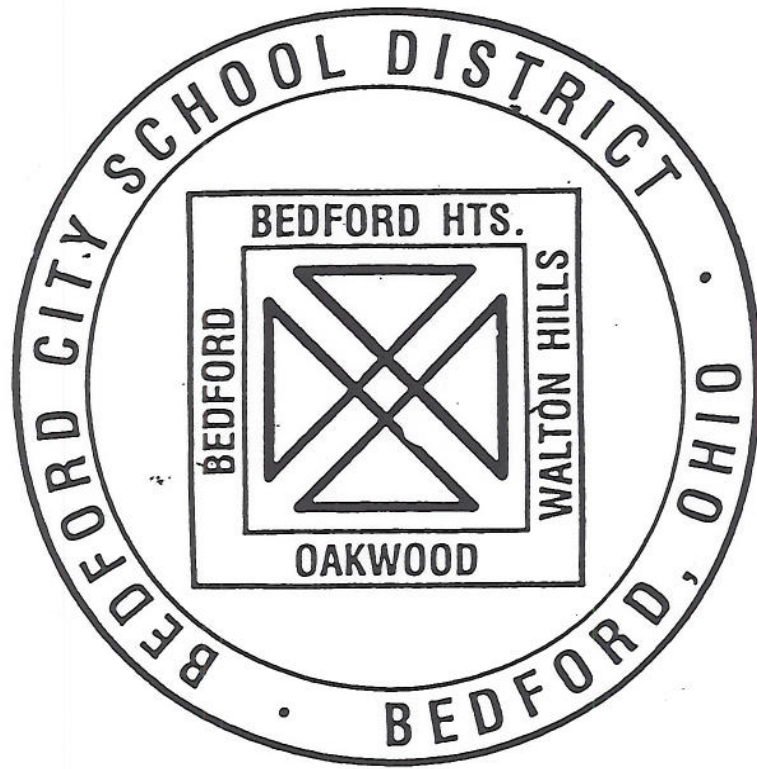


Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director





**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Bedford City School District
Cuyahoga County
475 Northfield Road
Bedford, Ohio 44146

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 major fund and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, as of June 30, 2005, and the respective changes in financial position and the cash flows, where applicable, thereof and the budgetary comparison for the General Fund 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 December 9, 2005, on our consideration of the District'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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

December 9, 2005

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements as well as the statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2005 are as follows:

- In total, net assets increased \$10,068,993, a 59.53 percent increase over fiscal year 2004.
- For fiscal year 2005, the School District saw an increase in current and other assets of \$5,611,871 due to an increase in cash at the end of the year from fiscal year 2004. This increase can also be attributed in part to an increase in taxes receivables due to the tax levy the School District began to collect during 2005.
- General revenues accounted for \$50,849,768 in revenues or 91.19 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,911,520 or 8.81 percent of total revenues of \$55,761,288.
- The School District had \$45,692,295 in expenses related to governmental activities; only \$4,911,520 of these expenses were offset by program specific charges for services, grants or contributions. General revenues related to governmental activities of \$50,849,768 were more than adequate to provide for these programs.
- The general fund had \$48,371,703 in revenues and \$40,688,428 in expenditures. The general fund's fund balance increased \$7,665,657 in 2005.

Using This Comprehensive Annual Financial Report ("CAFR")

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of Governmental Accounting Standards Board Statement ("GASB") No. 34, and are organized so the reader can understand the Bedford City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements proved the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Bedford City School District, the general fund is the most significant fund.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Reporting on the District as a Whole (District-wide)

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. The view of the School District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. The statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net assets* and any changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some strictly within the scope of the School District, some not. External factors include the School District's property tax base, community demographics, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

The Statement of Net Assets and the Statement of Activities is represented in one type of activity; Governmental Activities. The School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities as well as food service operations.

Reporting the School District's Most Significant Funds (Fund Financials)

The analysis of the School District's major fund begins on page 8. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant fund. The School District's only major fund is the general fund.

Governmental Funds - The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements of the *Governmental Funds*.

Proprietary Funds - Proprietary funds have historically operated as *enterprise* and *internal service funds* using the same basis of accounting as business-type activities; for reporting purposes the School District reclassified the enterprise funds as *special revenue funds*. The lack of profitability in the food service fund in two of the last three fiscal years lead to the decision to no longer report it as an enterprise fund. The charge for a school lunch cannot keep pace with the ever-increasing wage and benefit costs. In addition,

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the School District recognizes the many subsidies received by the food service fund preclude it from being considered a business-type activity. This change is reflected in the report as well as the tables presented below. The internal service funds account for the self insurance fund for prescription drugs and dental coverage and the computer network fund which accounts for the costs associated with the computer A-site and are reported as the School District's only proprietary funds.

The District as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the School District as a whole, showing assets, liabilities and the difference between them (net assets). Table 1 provides a summary of the School District's governmental activities net assets for fiscal year 2005 compared to fiscal year 2004:

Table 1
Net Assets

	2005	2004
Assets		
Current and Other Assets	\$51,982,880	\$46,371,009
Capital Assets, Net	19,034,781	20,037,726
<i>Total Assets</i>	71,017,661	66,408,735
Liabilities		
Current and Other Liabilities	31,944,901	36,034,949
Long-Term Liabilities:		
Due Within One Year	2,062,012	2,305,868
Due in More than One Year	10,028,356	11,154,519
<i>Total Liabilities</i>	44,035,269	49,495,336
Net Assets		
Invested in Capital Assets, Net of Debt	10,151,961	10,168,889
Restricted:		
Capital Projects	604,286	190,733
Debt Service	1,418,198	997,556
Other Purposes	849,525	725,176
Unrestricted	13,958,422	4,831,045
<i>Total Net Assets</i>	\$26,982,392	\$16,913,399

Increase in cash and taxes receivable from fiscal year 2004 to fiscal year 2005 contributed to the increase of \$4,608,926 in total assets, predominately due to the availability of cash at year end and an increase of \$2,864,896 of taxes receivable. This is due to the timing of tax revenue available as an advance and the passage of a 4.9 mill operating levy on November 2, 2004. Current liabilities decreased \$4,090,048 mainly due to the decrease in deferred revenue related to the timing of taxes revenue received by the School District.

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Table 2 shows changes in governmental net assets for fiscal years 2005 and 2004.

Table 2
Changes in Net Assets

	2005	2004
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,271,382	\$2,221,988
Operating Grants and Contributions	3,604,228	2,964,340
Capital Grants and Contributions	35,910	0
<i>Total Program Revenues</i>	<u>4,911,520</u>	<u>5,186,328</u>
General Revenues:		
Property Taxes	41,213,020	30,192,248
Grants and Entitlements	9,140,806	7,747,756
Investment Earnings	325,033	174,106
Other	170,909	146,944
<i>Total General Revenues</i>	<u>50,849,768</u>	<u>38,261,054</u>
<i>Total Revenues</i>	<u>55,761,288</u>	<u>43,447,382</u>
Program Expenses		
Instruction	23,435,942	23,153,227
Support Services:		
Pupils	2,665,621	2,721,877
Instructional Staff	1,586,546	1,620,852
Board of Education	207,937	59,311
Administration	3,204,240	3,565,984
Fiscal	1,249,303	1,290,723
Business	555,487	402,210
Operation and Maintenance of Plant	5,865,329	6,772,564
Pupil Transportation	3,372,082	3,914,942
Central	291,782	306,326
Operation of Non-Instructional Services:		
Food Services Operations	1,312,760	1,362,041
Other Non-Instructional Services	514,115	502,320
Extracurricular Activities	916,721	915,504
Interest and Fiscal Charges	514,430	531,995
<i>Total Program Expenses</i>	<u>45,692,295</u>	<u>47,119,876</u>
<i>Net Change in Net Assets</i>	10,068,993	(3,672,494)
<i>Net Assets Beginning of Year</i>	<u>16,913,399</u>	<u>20,585,893</u>
<i>Net Assets End of Year</i>	<u>\$26,982,392</u>	<u>\$16,913,399</u>

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General revenues increased \$12,588,714 from 2004, mainly due to the tax monies received from the approved levy, as well as \$6,000,000 additional monies available as an advance at June 30, 2005, which resulted in a \$11,020,772 increase in property tax revenue. An additional \$1,393,050 received in grant monies and an increase of \$150,927 in interest revenues earned during the year also contributed to the increase in general revenues for the year. Total revenues increased \$12,313,906 or 28.34 percent over 2004. The decrease of 274,808 in program revenues is largely due to less tuition revenue collected in the current year, the School District's largest source of charges for services, which was down \$950,606 from this time last year, and offsets the increase of \$675,798 in grant awards and local contributions.

The decrease of \$1,427,581 in program expenses is due to a conscious decision to reduce the 2005 fiscal year budget as well as a wage freeze of zero on the base for all full time employees of the District.

Governmental Activities

The School District went to the voters in November, 2004 who approved a 4.9 mill operating levy in order to keep on track with rising costs and lower revenues incoming from taxes and school foundation funding.

The nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the School District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills, and the School District would still receive \$35.00 annually.

The School District is heavily dependent on property taxes and is hampered by a lack of revenue growth. Thus, the School District must regularly return to the voters to maintain a constant level of service. Property taxes made up 73.91 percent of total revenues in the School District for fiscal year 2005. Grants, entitlements and contributions made up 22.92 percent of total revenues. Charges for services, investments and other revenue made up the remaining 3.17 percent.

Instructional expenses account for 51.29 percent of total program expenses. Building maintenance and pupil transportation cost made up 20.22 percent of current year expenses, while administrative costs made up 11.42 percent.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of service and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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Table 3
 Net Cost of Governmental Activities

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Instruction	\$23,435,942	(\$21,048,520)	\$23,153,227	(\$20,246,339)
Support Services:				
Pupils	2,665,621	(2,631,893)	2,721,877	(2,664,823)
Instructional Staff	1,586,546	(1,364,109)	1,620,852	(1,435,157)
Board of Education	207,937	(207,937)	59,311	(59,311)
Administration	3,204,240	(3,083,016)	3,565,984	(3,470,480)
Fiscal	1,249,303	(1,249,303)	1,290,723	(1,290,723)
Business	555,487	(527,659)	402,210	(367,246)
Operation and Maintenance of Plant	5,865,329	(5,771,235)	6,772,564	(6,769,025)
Pupil Transportation	3,372,082	(3,274,939)	3,914,942	(3,914,433)
Central	291,782	(283,393)	306,326	(292,797)
Operation of Non-Instructional Services:				
Food Service Operations	1,312,760	(33,422)	1,362,041	(79,695)
Other Non-Instructional Services	514,115	(6,837)	502,320	(10,056)
Extracurricular Activities	916,721	(784,082)	915,504	(801,468)
Interest and Fiscal Charges	514,430	(514,430)	531,995	(531,995)
<i>Total</i>	<u>\$45,692,295</u>	<u>(\$40,780,775)</u>	<u>\$47,119,876</u>	<u>(\$41,933,548)</u>

The total cost of governmental activities' services decrease by \$1,427,581 or 3.03 percent from fiscal year 2004 to fiscal year 2005 mainly due to decrease salary and benefit costs and decreased maintenance costs. The net cost of services decreased by \$1,152,773 or 2.75 percent from fiscal year 2004 to fiscal year 2005, due to the increase in revenues and decrease in expenses as discussed above.

The dependence on tax revenues and state subsidies for governmental activities is apparent. 89.81 percent of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 89.25 percent.

Taxes revenues increased due to the levy passed in 2004. Due diligence kept costs down and the School District was able to end the year with \$26,982,392 in net assets, a 59.53 percent increase over fiscal year 2004.

The School District's Funds

Information about the School District's governmental funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$55,051,545 and expenditures of \$46,691,040. The net change in fund balance for the year in the general fund increased by \$7,665,657, with a \$694,848 increase in all other governmental funds. Again, this increase is primarily due to the passage of the levy.

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General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2005, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount of \$40,904,047 is \$4,409,341 or 12.08 percent higher than the original budget amount of \$36,494,706. The increase was due primarily to the anticipated tax revenues related to the levy passed in 2004. Actual revenues of \$42,601,757 are \$1,697,710 or 4.15 percent higher than the final budget amount. Actual expenditures of \$41,514,684 are \$204,227 or .49 percent less than the final budget amount of \$41,718,911. The School District ended the fiscal year with a fund balance of \$8,819,586, an increase of \$2,733,560 from fiscal year 2004, but still \$1,920,085 better than what was estimated.

The School District uses a modified site-based budget technique which is designed to tightly control site budgets while providing flexibility for site management. The School District prepares and monitors a detailed cashflow plan for the general fund annually. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005 the School District had, at cost, \$44,506,871 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$25,472,090. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2005	2004
Land	\$2,283,183	\$2,283,183
Construction in Progress	0	0
Buildings and Improvements	13,142,655	14,144,459
Furniture and Equipment	1,930,989	1,742,630
Vehicles	1,677,954	1,867,454
Totals	\$19,034,781	\$20,037,726

The decrease to the School District capital assets in fiscal year 2005 is due to annual depreciation which offset the \$597,226 in capital assets additions. The net value of governmental capital assets is 45.08 percent of the value of the capital assets at cost. This ratio reflects a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. The School District has established a capital replacement fund for the purpose of orderly replacement of buses. The long-

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term bus replacement plan calls for depreciation of the fleet to be matched by transfers from the general fund to the capital replacement fund for bus replacement. For additional information on capital assets, see Note 9 of the notes to the basic financial statements.

Debt

At June 30, 2005, the School District had \$9,661,395 in bonds, loans and leases outstanding, \$1,184,646 of which was due within one year. Table 5 summarizes bonds and loans outstanding.

Table 5
 Outstanding Debt at June 30
 Governmental Activities

	2005	2004
1996 Energy Conservation Note	\$80,000	\$155,000
1994 Facilities Acquisition Manuscript Bond	165,000	180,000
2001 Refunding Serial Bonds	7,433,196	8,252,286
2001 Refunding Capital Appreciation Bonds	764,345	691,307
2002 Maintenance Facility Loan	506,000	558,000
2004 Astro Turf Lease	330,000	385,000
2004 Telecommunications Lease	382,854	483,903
Totals	\$9,661,395	\$10,705,496

The School District's general obligation bonds were issued for the purposes of renovations of facilities which conserved energy, the construction of a branch of the Cuyahoga County Library, renovation and construction of facilities, an addition to Columbus Road School and the refunding of \$975,000 in library construction bonds and \$8,215,000 in facilities renovation bonds. The refunding bonds also consisted of \$565,505 in capital appreciation bonds. The maintenance facility loan was issued to construct a new maintenance facility for the School District.

During 2004, the School District entered into astro turf and telecommunications leases. The accumulated rental fees for the use of the stadium will be paying for the astro turf lease at no additional cost to taxpayers. The telecommunications lease will be paid from the building capital projects fund. Telephones have been installed in all classrooms for better parent/teacher communication as well as for emergency purposes.

The School District's overall debt margin was \$66,390,430 with an unvoted debt margin of \$610,575. For additional information on long-term obligations, see Note 16 of the notes to the basic financial statements.

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Current Financial Related Activities

As the preceding information shows, the School District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, the School District must continue to monitor its revenues and expenses to ensure the public's confidence and support.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directs "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have on future State funding and on its financial operations.

The State Legislature has also effected the deregulation of electric public utilities. Electric deregulation took place January 1, 2001. The Department of Education will pay to each school district their share of school district property tax replacement funds. The calculated amount for the Bedford City School District is \$1.1 million annually for five years, beginning in calendar year 2002.

The Bedford City School District does not anticipate any meaningful growth in revenue as a result of any of these changes. Based on these factors, the Board of Education and the administration of the School District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the School District.

The Bedford City School District has committed itself to the highest standards of financial excellence for many years. The School District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting each year since 1997. The commitment continues with this fifth financial report using the GASB Statement No. 34 reporting model.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mary Ann Nowak, Treasurer of Bedford City School District, 475 Northfield Road 44146, or e-mail at manowak@bedford.k12.oh.us.

Bedford City School District

Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,197,304
Cash and Cash Equivalents with Fiscal Agent	2,891
Investments	165,000
Accounts Receivable	14,818
Intergovernmental Receivable	561,985
Inventory Held for Resale	24,831
Materials and Supplies Inventory	252,558
Taxes Receivable	36,687,527
Deferred Charges	75,966
Nondepreciable Capital Assets	2,283,183
Depreciable Capital Assets	<u>16,751,598</u>
<i>Total Assets</i>	<u>71,017,661</u>
Liabilities	
Accounts Payable	351,133
Accrued Wages and Benefits Payable	4,361,499
Intergovernmental Payable	1,257,194
Deferred Revenue	25,369,643
Accrued Interest Payable	39,776
Claims Payable	565,656
Long-Term Liabilities:	
Due Within One Year	2,062,012
Due in More Than One Year	<u>10,028,356</u>
<i>Total Liabilities</i>	<u>44,035,269</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,151,961
Restricted for:	
Capital Projects	604,286
Debt Service	1,418,198
Local Grants	335,756
Special Enterprise	163,886
Federal Grants	196,136
Other Purposes	153,747
Unrestricted	<u>13,958,422</u>
<i>Total Net Assets</i>	<u><u>\$26,982,392</u></u>

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net Expenses and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$16,880,898	\$297,083	\$502,848	\$0	(\$16,080,967)
Special	5,095,964	41,209	1,260,826	0	(3,793,929)
Vocational	1,459,080	13,377	272,079	0	(1,173,624)
Support Services:					
Pupil	2,665,621	0	33,728	0	(2,631,893)
Instructional Staff	1,586,546	3,693	182,834	35,910	(1,364,109)
Board of Education	207,937	0	0	0	(207,937)
Administration	3,204,240	5,301	115,923	0	(3,083,016)
Fiscal	1,249,303	0	0	0	(1,249,303)
Business	555,487	27,745	83	0	(527,659)
Operation and Maintenance of Plant	5,865,329	0	94,094	0	(5,771,235)
Pupil Transportation	3,372,082	0	97,143	0	(3,274,939)
Central	291,782	1,412	6,977	0	(283,393)
Operation of Non-Instructional Services:					
Food Service Operations	1,312,760	760,722	518,616	0	(33,422)
Other Non-Instructional Services	514,115	11,845	495,433	0	(6,837)
Extracurricular Activities	916,721	108,995	23,644	0	(784,082)
Interest and Fiscal Charges	514,430	0	0	0	(514,430)
<i>Total Governmental Activities</i>	<u>\$45,692,295</u>	<u>\$1,271,382</u>	<u>\$3,604,228</u>	<u>\$35,910</u>	<u>(40,780,775)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					38,902,810
Debt Service					1,366,766
Capital Outlay					943,444
Grants and Entitlements not Restricted to Specific Programs					9,140,806
Investment Earnings					325,033
Miscellaneous					170,909
<i>Total General Revenues</i>					<u>50,849,768</u>
Change in Net Assets					10,068,993
<i>Net Assets Beginning of Year</i>					<u>16,913,399</u>
<i>Net Assets End of Year</i>					<u>\$26,982,392</u>

See accompanying notes to the basic financial statements

Bedford City School District

Balance Sheet

Governmental Funds

June 30, 2005

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,733,041	\$3,171,098	\$12,904,139
Cash and Cash Equivalents with Fiscal Agent	0	2,891	2,891
Investments	0	165,000	165,000
Accounts Receivable	1,564	13,254	14,818
Intergovernmental Receivable	7,177	554,808	561,985
Inventory Held for Resale	0	24,831	24,831
Materials and Supplies Inventory	247,704	4,854	252,558
Interfund Receivable	788,218	0	788,218
Taxes Receivable	34,976,932	1,710,595	36,687,527
<i>Total Assets</i>	<u>\$45,754,636</u>	<u>\$5,647,331</u>	<u>\$51,401,967</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$250,121	\$101,012	\$351,133
Accrued Wages and Benefits Payable	4,187,413	174,086	4,361,499
Intergovernmental Payable	1,118,922	138,272	1,257,194
Interfund Payable	0	788,218	788,218
Deferred Revenue	24,725,487	1,676,632	26,402,119
<i>Total Liabilities</i>	<u>30,281,943</u>	<u>2,878,220</u>	<u>33,160,163</u>
Fund Balances (Deficit)			
Reserved for Encumbrances	674,501	736,945	1,411,446
Reserved for Property Taxes	9,993,480	515,943	10,509,423
Unreserved, Undesignated Reported in:			
General Fund	4,804,712	0	4,804,712
Special Revenue Funds (Deficit)	0	(173,184)	(173,184)
Debt Service Fund	0	1,557,858	1,557,858
Capital Projects Funds	0	131,549	131,549
<i>Total Fund Balances</i>	<u>15,472,693</u>	<u>2,769,111</u>	<u>18,241,804</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$45,754,636</u>	<u>\$5,647,331</u>	<u>\$51,401,967</u>

See accompanying notes to the basic financial statements

Bedford City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2005*

Total Governmental Funds Balances		\$18,241,804
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		19,034,781
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	538,904	
Grants	493,572	
		1,032,476
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		75,966
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(39,776)
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		727,509
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(7,203,632)	
Capital Appreciation Bonds	(764,345)	
Bond Premium	(474,564)	
Loan Payable	(506,000)	
Capital Leases	(712,854)	
Compensated Absences	(2,428,973)	
Total		(12,090,368)
 <i>Net Assets of Governmental Activities</i>		 \$26,982,392

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$38,798,592	\$2,031,389	\$40,829,981
Intergovernmental	8,959,941	3,145,101	12,105,042
Interest	308,180	16,853	325,033
Charges for Services	0	765,852	765,852
Tuition and Fees	213,764	44,197	257,961
Rentals	3,265	28,965	32,230
Extracurricular Activities	0	215,339	215,339
Contributions and Donations	0	349,198	349,198
Miscellaneous	87,961	82,948	170,909
<i>Total Revenues</i>	<u>48,371,703</u>	<u>6,679,842</u>	<u>55,051,545</u>
Expenditures			
Current:			
Instruction:			
Regular	15,674,965	672,992	16,347,957
Special	4,044,608	1,183,176	5,227,784
Vocational	1,276,269	196,532	1,472,801
Support Services:			
Pupil	2,680,528	30,938	2,711,466
Instructional Staff	1,551,125	164,839	1,715,964
Board of Education	208,201	0	208,201
Administration	3,163,191	115,814	3,279,005
Fiscal	1,291,119	0	1,291,119
Business	503,197	73,366	576,563
Operation and Maintenance of Plant	5,949,589	30,800	5,980,389
Pupil Transportation	3,275,738	20,847	3,296,585
Central	289,765	8,747	298,512
Operation of Non-instructional Services:			
Food Service Operations	0	1,414,479	1,414,479
Other Non-instructional Services	0	485,150	485,150
Extracurricular Activities	412,643	242,353	654,996
Capital Outlay	0	188,204	188,204
Debt Service:			
Principal Retirement	298,049	835,000	1,133,049
Interest and Fiscal Charges	69,441	339,375	408,816
<i>Total Expenditures</i>	<u>40,688,428</u>	<u>6,002,612</u>	<u>46,691,040</u>
<i>Excess of Revenues Over Expenditures</i>	<u>7,683,275</u>	<u>677,230</u>	<u>8,360,505</u>
Other Financing Sources (Uses)			
Transfers In	108,677	126,295	234,972
Transfers Out	(126,295)	(108,677)	(234,972)
<i>Total Other Financing Sources (Uses)</i>	<u>(17,618)</u>	<u>17,618</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	7,665,657	694,848	8,360,505
<i>Fund Balances Beginning of Year</i>	<u>7,807,036</u>	<u>2,074,263</u>	<u>9,881,299</u>
<i>Fund Balances End of Year</i>	<u>\$15,472,693</u>	<u>\$2,769,111</u>	<u>\$18,241,804</u>

See accompanying notes to the basic financial statements

Bedford City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2005*

Net Change in Fund Balances -Total Governmental Funds \$8,360,505

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

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

Capital Asset Additions	597,226	
Current Year Depreciation	<u>(1,600,171)</u>	
Total		(1,002,945)

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

Delinquent Property Taxes	383,039	
Intergovernmental	<u>326,704</u>	
Total		709,743

In the statement of activities, interest is accrued on outstanding bonds, bond accretion, bond premium, bond issuance costs and loss on refunding are amortized over the term of the bonds, whereas in governmental funds an interest expenditure is reported when due and premiums, issuance costs and loss on refunding are reported when the bonds are issued.

Accrued Interest	1,427	
Annual Accretion	(73,038)	
Amortization of Premium on Bonds	113,029	
Amortization of Loss on Refunding	(128,939)	
Amortization of Issuance Costs	<u>(18,093)</u>	
Total		(105,614)

Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,133,049

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

Compensated Absences	325,918	
Pension Obligations	<u>649,833</u>	
Total		975,751

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities. (1,496)

Change in Net Assets of Governmental Activities \$10,068,993

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$27,860,409	\$31,226,058	\$32,892,402	\$1,666,344
Intergovernmental	8,114,366	9,095,243	9,095,243	0
Interest	247,027	276,869	308,180	31,311
Tuition and Fees	195,255	218,843	218,843	0
Rentals	2,690	3,015	3,015	0
Miscellaneous	74,959	84,019	84,074	55
<i>Total Revenues</i>	36,494,706	40,904,047	42,601,757	1,697,710
Expenditures				
Current:				
Instruction:				
Regular	15,298,026	15,727,358	15,564,030	163,328
Special	3,792,203	3,907,835	3,907,184	651
Vocational	1,231,966	1,269,632	1,269,296	336
Support Services:				
Pupil	2,631,953	2,712,139	2,705,464	6,675
Instructional Staff	1,632,562	1,682,476	1,670,059	12,417
Board of Education	219,154	225,854	225,854	0
Administration	3,179,710	3,276,924	3,258,947	17,977
Fiscal	1,284,201	1,323,463	1,323,463	0
Business	660,059	686,245	686,245	0
Operation and Maintenance of Plant	6,150,361	6,338,398	6,337,820	578
Pupil Transportation	3,367,788	3,470,753	3,468,488	2,265
Central	310,099	319,580	319,580	0
Extracurricular Activities	398,278	410,764	410,764	0
Debt Service:				
Principal Retirement	293,836	298,049	298,049	0
Interest and Fiscal Charges	68,579	69,441	69,441	0
<i>Total Expenditures</i>	40,518,775	41,718,911	41,514,684	204,227
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,024,069)	(814,864)	1,087,073	1,901,937
Other Financing Sources (Uses)				
Contingencies	(7,021)	(7,236)	0	7,236
Advances In	1,177,066	1,355,694	1,355,694	0
Advances Out	(755,886)	(788,218)	(788,218)	0
Transfers In	96,963	108,677	108,677	0
Transfers Out	(132,864)	(137,207)	(126,295)	10,912
<i>Total Other Financing Sources (Uses)</i>	378,258	531,710	549,858	18,148
<i>Net Change in Fund Balance</i>	(3,645,811)	(283,154)	1,636,931	1,920,085
<i>Fund Balance Beginning of Year</i>	6,086,026	6,086,026	6,086,026	0
Prior Year Encumbrances Appropriated	1,096,629	1,096,629	1,096,629	0
<i>Fund Balance End of Year</i>	\$3,536,844	\$6,899,501	\$8,819,586	\$1,920,085

See accompanying notes to the basic financial statements

Bedford City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2005

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,293,165
Liabilities	
Claims Payable	<u>565,656</u>
Net Assets	
Unrestricted	<u><u>\$727,509</u></u>

See accompanying notes to the basic financial statements

Bedford City School District
*Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2005*

Operating Revenues

Charges for Services	<u>\$1,273,739</u>
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Operating Expenses

Purchased Services	240,387
Claims	<u>1,034,848</u>

<i>Total Operating Expenses</i>	<u>1,275,235</u>
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<i>Change in Net Assets</i>	(1,496)
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<i>Net Assets Beginning of Year</i>	<u>729,005</u>
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<i>Net Assets End of Year</i>	<u><u>\$727,509</u></u>
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See accompanying notes to the basic financial statements

Bedford City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services	\$1,273,739
Cash Payments for Purchased Services	(240,387)
Cash Payments for Claims	<u>(904,312)</u>

Net Increase in Cash and Cash Equivalents 129,040

Cash and Cash Equivalents Beginning of Year 1,164,125

Cash and Cash Equivalents End of Year \$1,293,165

***Reconciliation of Operating Loss to Net
Cash Provided by Operating Activities***

Operating Loss (\$1,496)

Adjustments:

Increase in Claims Payable 130,536

Net Cash Provided by Operating Activities \$129,040

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	
	Scholarships	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$55,006	\$37,872
Liabilities		
Due to Students	0	\$37,872
Net Assets		
Held in Trust for Scholarships	\$55,006	

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2005

	<u>Scholarships</u>
Additions	
Interest	\$7,180
Deductions	
Scholarships Awarded	<u>1,200</u>
<i>Change in Net Assets</i>	5,980
<i>Net Assets Beginning of Year</i>	<u>49,026</u>
<i>Net Assets End of Year</i>	<u><u>\$55,006</u></u>

See accompanying notes to the basic financial statements

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 1 - Description of the School District and Reporting Entity

Bedford City School District (the School District) is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The School District is one of the 613 school districts in the State of Ohio and one of 33 in Cuyahoga County, and provides education to 3,840 students in grades K through 12. The District also provides preschool education to 34 handicapped students. The School District is located in northeast Ohio, and covers approximately 25 square miles and includes the City of Bedford, most of the City of Bedford Heights, and the villages of Walton Hills and Oakwood. The operation of the School District is governed by an elected five-member Board of Education.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Bedford City School District, the agencies and departments provide the following services: general operations, food service and student related activities of the School District.

Nonpublic Schools - Within the School District boundaries, there are various nonpublic schools, including St. Pius, Chanel, St. Mary's, and New Covenant Christian Academy. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the School District on behalf of the non-public schools by the Treasurer of the School District, as directed by the non-public schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Rating Program, the Lakeshore Northeast Ohio Computer Association (LNOCA) and Ohio Schools Council Association. These organizations are presented in Notes 17 and 19 of the notes to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Bedford City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service funds unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

A. Basis of Presentation

The School District'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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District 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 School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

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 is the School District's only major governmental fund:

General Fund The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Proprietary Fund Type Proprietary funds focus on the determination of operating income, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District only has two internal service funds.

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District utilizes one internal service fund to account for the operation of the School District's self insurance program for dental and prescription benefits and the other to account for a computer supplies warehouse available to all departments within the School District.

Fiduciary Fund Type 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only agency fund reports resources belonging to the student bodies of the various schools.

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 School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund 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 net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is reported using the economic resources measurement focus.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, and fees.

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 June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level within each fund and function.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate in effect when the final appropriations were passed by the Board of Education.

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

F. Cash and Cash Equivalents

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

The School District utilizes a financial institution to maintain an account while the School District is waiting for the completion of the maintenance facility. The balance of this account is presented on the balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits.

During fiscal year 2005, the School District's investments were limited to a Bedford City School District Facilities Acquisition Manuscript Bond, the State Treasury Asset Reserve (STAROhio) and non-negotiable certificates of deposit.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$308,180, which includes \$186,332 assigned from other School District funds.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expenses when used.

Inventories consist of donated food, purchased food and school supplies held for resale and materials and supplies held for consumption.

I. Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They 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 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three thousand dollars. The School District does not possess any infrastructure. 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.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Buildings and Improvements	10 - 30 years
Furniture and Equipment	10 - 20 years
Vehicles	12 years

J. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

K. Bond Premium

On government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued.

L. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, which ever is shorter.

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activity column of the statement of net assets.

N. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

O. 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 the internal service funds are reported on the internal service fund financial statements.

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

P. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

R. 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 borrowings 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 School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net assets reports \$1,784,557 of restricted net assets, of which \$106,922 is restricted by enabling legislation.

Net assets restricted for other purposes includes summer school, adult/continuing education, and recreation functions and activities.

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for the self-insurance program and the computer network services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

T. 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 Board of Education and that are either unusual in nature or infrequent in occurrence.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

U. Estimates

The preparation of 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.

Note 3 – Change in Accounting Principles

A. Change in Accounting Principles

For fiscal year 2005, the School District has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units,” GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.”

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 39, GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the School District.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 4 - Accountability

At June 30, 2005, the following funds had deficit fund balances:

	<u>Amount</u>
Special Revenue Funds	
Food Service	\$192,134
Entry Year Teachers	133
Disadvantaged Pupil Impact Aid	1,829
Summer Intervention	13,160
Title VI-B	97,367
Vocational Education	34,641
Title I	74,146
Title V	1,367
Drug Free Schools	1,102
Preschool Handicapped	5,276
Title VI-R	21,981
Miscellaneous Federal Grants	5,528

The deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the School District is 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, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balance

GAAP Basis	\$7,665,657
Net Adjustment for Revenue Accruals	(5,509,135)
Advances In	1,355,694
Net Adjustment for Expenditure Accruals	(173,612)
Advances Out	(788,218)
Adjustment for Encumbrances	(913,455)
Budget Basis	<u>\$1,636,931</u>

Note 6 - Deposits and Investments

Monies held by the School District are classified into three categories.

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

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

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

Interim monies held by the School District can 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. Bonds and other obligations of the State of Ohio;

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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;
6. The State Treasurer's investment pool (STAROhio).
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments

Investments are reported at fair value. As of June 30, 2005, the School District had a STAROhio investment with a fair value of \$11,388,817 and a maturity of thirty-three days and they also hold a Bedford City School District Facilities Acquisition Manuscript Bond which matures in 2013.

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within one year from the date of purchase and that the School District's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years except for the manuscript bond. The manuscript bond represents an investment in which the School District purchased its own real estate acquisition bond. This bond matures on December 1, 2013.

Credit Risk. STAROhio carries a rating of AAAM by Standards and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

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 School District investment in STAROhio makes up 98.6 percent of the School District's investments.

Note 7 - Receivables

Receivables at June 30, 2005, consisted of taxes, accounts (student fees and tuition), intergovernmental and grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

A summary of principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Title VI-B Grants and Subsidies	\$176,451
Title I Grants and Subsidies	149,778
Federal Lunch Subsidy	61,236
Vocational Education Grants and Subsidies	51,998
Title VI-R Grants and Subsidies	29,911
Summer Intervention Grants and Subsidies	20,924
Title V Grants and Subsidies	17,859
Preschool Handicapped Grants and Subsidies	13,855
Miscellaneous Federal Grants and Subsidies	11,362
Ohio Reads Grants and Subsidies	11,129
Drug Free Schools Grants and Subsidies	10,305
St. Peter Chanel High School	4,259
Substitute Teacher Reimbursement	1,718
County Auditor Refund	1,200
Total	<u><u>\$561,985</u></u>

Note 8 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 become a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

by April 30 are usually received by the School District prior to June 30. This year, the June 2005 personal property tax settlement was not received until July 2005.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2005 was \$9,993,480 in the general fund, \$346,149 in the bond retirement debt service fund, and \$169,794 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2004, was \$3,267,433 in the general fund, \$124,622 in the bond retirement debt service fund, and \$62,601 in the permanent improvement capital projects fund. The difference was in timing and collection by the County Auditor.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$368,986,650	43.38 %	\$370,753,750	43.33 %
Other Real Estate	278,766,770	32.77	275,375,240	32.19
Public Utility Personal	38,882,620	4.57	37,778,070	4.42
Tangible Personal Property	163,953,315	19.28	171,667,792	20.06
	0		0	
Total	\$850,589,355	100.00 %	\$855,574,852	100.00 %
Tax rate per \$1,000 of assessed valuation	\$62.50		\$67.40	

During fiscal year 2005, the full effect of the County's triennial update is reflected in the increase in assessed values along with the effects of the 4.9 mill levy passed in November 2004 which increased the tax rate.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance 6/30/04	Additions	Deletions	Balance 6/30/05
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,283,183	\$0	\$0	\$2,283,183
 <i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	33,996,359	125,652	0	34,122,011
Furniture and Equipment	3,398,570	399,279	0	3,797,849
Vehicles	4,231,533	72,295	0	4,303,828
<i>Total Capital Assets, being depreciated</i>	41,626,462	597,226	0	42,223,688
 Less Accumulated Depreciation:				
Buildings and Improvements	(19,851,900)	(1,127,456)	0	(20,979,356)
Furniture and Equipment	(1,655,940)	(210,920)	0	(1,866,860)
Vehicles	(2,364,079)	(261,795)	0	(2,625,874)
Total Accumulated Depreciation	(23,871,919)	(1,600,171) *	0	(25,472,090)
<i>Total Capital Assets, being depreciated, net</i>	17,754,543	(1,002,945)	0	16,751,598
Governmental Activities Capital Assets, Net	\$20,037,726	(\$1,002,945)	\$0	\$19,034,781

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$747,050
Special	13,282
Vocational	31,988
Support Services:	
Pupil	10,111
Instructional Staff	13,446
Administration	7,985
Fiscal	3,985
Business	39,055
Operation and Maintenance of Plant	166,715
Pupil Transportation	245,124
Central	4,550
Operation of Non-Instructional Services:	
Food Service Operations	4,243
Other Non-Instructional Services	44,566
Extracurricular Activities	268,071
Total Depreciation Expense	\$1,600,171

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 10 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

B. Litigation

The School District is a party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 11 - Interfund Balances

Interfund balances at June 30, 2005, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General Fund
<i>Governmental Activities</i>	
Non-Major Funds	
Food Service	\$145,787
Summer School	45,516
Ohio Reads Grant	11,129
Summer Intervention	20,924
Title VI-B	176,451
Vocational Education	51,998
Title I	149,778
Title V	17,859
Drug Free Schools	10,305
Preschool Handicapped	13,855
Title VI-R	29,919
Miscellaneous Federal Grants	11,362
Permanent Improvement	90,572
Vocational Equipment	12,763
<i>Total Governmental Activities</i>	<i>\$788,218</i>

The interfund payables are advances for grant monies that were not received by fiscal year end and for capital improvement projects to be repaid from taxes revenue. The School District expects to receive the grant monies within the next fiscal year.

Bedford City School District
Notes to the Basic Financial Statements
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The School District transferred the following amounts to various funds during fiscal year 2005.

Transfers In	Transfers Out		Total
	General Fund	Uniform School Supplies	
General Fund	\$0	\$108,677	\$108,677
Non-Major Funds			
Summer School	23,433	0	23,433
Public School Support	5,000	0	5,000
District Managed Student Activities	97,420	0	97,420
Vocational Education Enhancement	432	0	432
Title I	10	0	10
<i>Total Governmental Activities</i>	<u>\$126,295</u>	<u>\$108,677</u>	<u>\$234,972</u>

The general fund transfer to the District Managed Student Activities special revenue fund was to provide financial support for the School District's athletics and music programs. The other transfers from the general fund to the remaining special revenue funds are due to expenditures which exceeded grant amounts. The transfer from the uniform school supplies special revenue fund to the general fund was to close out the fund.

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2004, the School District contracted for property and general liability insurance, and boiler and machinery coverage through the 91-member Ohio Schools Council Association Group Purchasing Consortium. The Indiana Insurance Company is the carrier for the School District's insurance.

Aggregate property coverage is \$93,556,631 with a \$5,000 deductible. Aggregate boiler and machinery coverage is approximately \$30 million with a \$1,000 deductible. The policy is renewable on July 1, 2004, for each coverage. Casualty and fleet insurance coverage was provided with a combined single limit of \$1 million and \$1,000 deductible. Education and umbrella liability insurance coverage was provided with a combined single limit of \$6 million each occurrence and combined aggregate of \$7 million. The Treasurer is covered by a \$100,000 surety bond and the Superintendent, Board of Education President, and Business Manager are covered by \$166,000 position bonds.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Worker's Compensation

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

C. Employee Medical Benefits

The School District has elected to provide employee dental and prescription drug benefits to full time employees through a self-insurance program, while hospitalization and medical benefits are provided with a fully-insured program. Full time is defined as the full 186 day academic year, or 1,700 hours for non-certificated employees. Employees working shorter calendars pay a prorated portion of the health care premiums. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in the drug and dental programs. Dental claims are limited to \$2,500 per covered individual per year, with a lifetime limit of \$1,000 on orthodontia. There is no limitation on prescription drug benefits as this type of coverage is not subject to catastrophic loss. A third party administrator, Medical Mutual of Ohio, reviews and pays all claims. The School District pays the following monthly premium into the self-funded benefits fund, which represents the entire premium required: dental - \$23.80 (single), \$71.41 (family); drug - \$81.45 (single), \$223.98 (family). These premiums are paid by the fund that pays the salary for each employee and is based on historical cost information.

The claims liability of \$565,656 reported in the self insurance fund at June 30, 2005, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2004	\$259,410	\$1,030,308	\$854,598	\$435,120
2005	435,120	1,034,848	904,312	565,656

Note 13 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Each employee earns sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 220 days (certificated employees), 245 days (non-certificated employees) and 325 days (administrators). Upon retirement or termination after 25 years of service, payment is made for up to 30 days plus 1/10th of the days remaining up to a maximum of 49 days (certificated employees), or one-fourth of the days (non-certificated employees), or up to 59.5 days (administrators). For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS or SERS.

Note 14 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations; for fiscal year 2004, 9.09 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$854,615, \$676,525, and \$636,525, respectively; 81.27 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly available, stand alone financial report that may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

For the fiscal year ended June 30, 2005 plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,309,483, \$2,270,623, and \$2,160,600, respectively; 85.83 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$29,194 made by the School District and \$57,333 made by the plan members.

Note 15- Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio, (STRS Ohio), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All retirees who participated in the DB or Combined plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$171,812 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established as \$27,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2005 fiscal year equaled \$1,287,560.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004,

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Note 16 - Long Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the School District's long-term obligations follows:

Debt Issue	Original Issue Date	Original Issue Amount	Interest Rate	Date of Maturity
General Obligation Bonds:				
Energy Conservation	1996	\$665,000	4.62%	June 1, 2006
Facilities Acquisition	1994	300,000	5.25%	December 1, 2015
Library Construction	1993	1,500,000	5.73%	December 1, 2011
Facilities Renovation	1993	12,000,000	5.85%	December 1, 2013
Serial Library and Facilities Refunding Bonds	2001	8,560,000	3.00-5.00%	December 1, 2011
Capital Appreciation Refunding Bonds	2001	536,300	10.30%	December 1, 2012
Maintenance Facility Loan	2002	606,000	3.64%	December 1, 2012
Astro Turf Lease	2004	385,000	3.29%	June 1, 2012
Telecommunications Lease	2004	533,117	3.53%	September 1, 2009

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/04	Additions	(Reductions)	Principal Outstanding 6/30/05	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
Energy Conservation Improvement	\$155,000	\$0	(\$75,000)	\$80,000	\$80,000
Facilities Acquisition	180,000	0	(15,000)	165,000	15,000
Serial Library and Facilities Refunding Bonds	8,335,000	0	(835,000)	7,500,000	885,000
Unamortized Premium on Serial Bonds	587,593	0	(113,029)	474,564	0
Unamortized Loss on Refunding on Serial Bonds	(670,307)	128,939	0	(541,368)	0
Capital Appreciation Refunding Bonds	536,300	0	0	536,300	0
Accretion on Capital Appreciation Bonds	155,007	73,038	0	228,045	0
<i>Total General Obligation Bonds</i>	<u>9,278,593</u>	<u>201,977</u>	<u>(1,038,029)</u>	<u>8,442,541</u>	<u>980,000</u>
Maintenance Facilities Loan	558,000	0	(52,000)	506,000	54,000
Astro Turf Lease	385,000	0	(55,000)	330,000	46,000
Telecommunications Lease	483,903	0	(101,049)	382,854	104,646
Compensated Absences	2,754,891	920,868	(1,246,786)	2,428,973	877,366
Total Governmental Activities	<u>\$13,460,387</u>	<u>\$1,122,845</u>	<u>(\$2,492,864)</u>	<u>\$12,090,368</u>	<u>\$2,062,012</u>

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Energy conservation bonds were issued for facilities renovations which conserved energy and will be paid from the general fund. Facilities acquisition bonds were issued for an addition to Columbus Road School and will be paid from general revenues in the general fund. The serial library and facilities refunding bonds and capital appreciation refunding bonds will be paid from property taxes. These bonds will be paid from the bond retirement fund.

The maintenance facilities loan and the astro turf and telecommunications leases will be paid from the general fund. Compensated absences will be paid from the general fund, the food service, auxiliary services, title VI-B, title I, preschool handicapped and title VI-R special revenue funds.

In November 2001, the School District issued general obligation refunding bonds having an original face value of \$9,096,300. These refunding bonds consist of \$8,560,000 in current interest serial bonds and \$536,300 in capital appreciation bonds. This year the addition on the capital appreciation bonds was \$73,038 which represents the annual accretion of discounted interest. The final maturity amount of these bonds is \$1,665,000. The bonds were issued at a \$900,303 premium and issuance costs were \$144,116.

The refunding bonds were issued to defease the 1993 library construction and facilities renovations general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2005, \$8,495,000 of bonds outstanding were considered defeased.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,027,037. This difference, reported as a deduction from bonds payable, is being charged to interest through fiscal year 2012.

The overall debt margin of the School District as of June 30, 2005, was \$66,390,430 with an unvoted debt margin of \$610,575. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2005, are as follows:

	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2006	\$980,000	\$325,998	\$0	\$0
2007	965,000	289,176	0	0
2008	1,030,000	249,088	0	0
2009	1,095,000	206,400	0	0
2010	1,155,000	155,513	0	0
2011-2015	2,505,000	136,751	536,300	1,128,700
2016	15,000	788	0	0
Total	\$7,745,000	\$1,363,714	\$536,300	\$1,128,700

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

	Maintenance Facility Loan		Total	
	Principal	Interest	Principal	Interest
2006	\$54,000	\$20,145	\$1,034,000	\$346,143
2007	57,000	18,778	1,022,000	307,954
2008	59,000	15,346	1,089,000	264,434
2009	62,000	12,799	1,157,000	219,199
2010	64,000	10,147	1,219,000	165,660
2011-2015	210,000	13,412	3,251,300	1,278,863
2016	0	0	15,000	788
Total	<u>\$506,000</u>	<u>\$90,627</u>	<u>\$8,787,300</u>	<u>\$2,583,041</u>

Note 17 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 - Set Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization.

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve
Set-aside Reserve Balances as of June 30, 2004	(\$264,568)	\$0
Current Year Set-aside Requirement	561,429	561,429
Qualifying Disbursements	<u>(1,078,583)</u>	<u>(792,070)</u>
Totals	<u>(\$781,722)</u>	<u>(\$230,641)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$781,722)</u>	<u>\$0</u>
Set-aside Reserve Balances as of June 30, 2005	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. While the qualifying disbursements during the fiscal year reduced the capital improvement set-aside amount to below zero, this amount may not be used to reduce the set-aside requirements of future fiscal years.

Note 19 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among sixteen school districts, one educational service center and the Bedford City School District. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the school districts support LNOCA based on a per pupil charge. The School District paid \$69,071 to LNOCA during the fiscal year 2005 which was 5.12 percent of the total revenues received by LNOCA.

The Governing Board consists of the superintendent from each of the participating school districts and the educational service center. The degree of control exercised by any participant is limited to its representation on the Governing Board. The Board exercises total control over the operation of the organization including budgeting, appropriating, contracting and designating management. A copy of LNOCA's financial statements may be obtained by contacting the Educational Service Center at 5811 Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2005, the School District paid \$800 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Note 20 - Capital Leases - Lessee Disclosure

In prior years, the School District entered into two capital lease agreements for the installation of astro turf at the football stadium and telecommunications equipment for the School District. The School District's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments are reflected as debt service expenditures in the general fund on the basic financial statements.

As part of the agreement for the astro turf lease and the telecommunications lease, National City and Key Bank, respectively, as lessors, deposited monies in segregated accounts for the installation of the astro turf and the telecommunications system. The entire amount was paid to the vendors at the direction of the School District when the installations were completed. At year-end capital assets have been capitalized for these capital leases.

Capital assets acquired by lease have been capitalized as follows:

Governmental Activities:	
Capital Assets, being depreciated:	
Building and Improvements	\$385,000
Furniture and Equipment	533,117
<i>Total Capital Assets, being depreciated</i>	<u>918,117</u>
Less Accumulated Depreciation:	
Building and Improvements	(19,250)
Furniture and Equipment	(26,656)
<i>Total Accumulated Depreciation</i>	<u>(45,906)</u>
 <i>Governmental Activities Capital Assets, Net</i>	 <u><u>\$872,211</u></u>

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 as of June 30, 2005.

Fiscal Year Ending June, 30,	Governmental Activities
2006	\$174,186
2007	172,932
2008	171,527
2009	113,380
2010	53,111
2011-2012	100,808
Total	785,944
Less: Amount Representing Interest	(73,090)
Present Value of Net Minimum Lease Payments	\$712,854

COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Food Service Fund To account for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund To account for the purchase and sale of school supplies for use in the District.

Summer School Fund To account the operation of the summer school program.

Adult and Continuing Education Fund To account for the operation of the adult high school and the adult and community education programs.

Recreation Fund To account for the operation of the swimming pool when it serves the community for open swim, lessons, youth competition and facility rentals.

Public School Support Fund To account for proceeds of local fund raising at the building level.

Local Grants Fund To account for proceeds of specific revenue sources, except for State and federal grants that are legally restricted to expenditure for specific purposes.

Special Enterprise Fund To account for the financial transactions related to the rental of the School District's high school athletic facilities.

District Managed Student Activities Fund To account for all costs (excluding supplemental coaching and advising contracts) of the adult-led student activities.

Auxiliary Services Fund To account for State monies received for educational programs run by the School District on behalf of four non-public schools within the boundaries of the School District.

Education Management Information Systems Fund To account for State monies provided for costs associated with the requirements of the management information system.

Entry Year Teachers Fund To account for State monies spent on teacher in-service and training for first year teachers.

Disadvantaged Pupil Impact Aid Fund This fund accounts for State monies used for improving the educational and cultural status of disadvantaged pupils.

Data Communications Fund To account for State monies provided for Ohio Educational Computer Network Connections.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

SchoolNet Professional Development Fund To account for a limited number of professional development subsidy grants.

Ohio Reads Grant Fund To account for State monies intended to improve reading outcomes.

Summer Intervention Fund To account for State monies intended for summer school programs.

Vocational Education Enhancement Fund To account State monies to enhance vocational education and to replace vocational educational equipment.

Miscellaneous State Grants Fund To account for State monies not otherwise designated to a specific purpose.

Title II Fund To account for federal monies used to strengthen education through the purchase of special equipment and materials.

Title VI-B Fund To account for federal monies to be used to provide full educational opportunities to handicapped children.

Vocational Education Fund To account for federal monies for cooperating development of vocational education programs.

Title III Fund To account for federal monies used for costs associated with English proficiency.

Title I Fund To account for federal monies used to meet the needs of educationally deprived children.

Title V Fund To account for federal monies given to the State to meet pre-determined educational needs.

Drug Free Schools Fund To account for federal monies which support drug abuse education and prevention programs.

Preschool Handicapped Fund To account for federal monies which support the improvement and expansion of services for handicapped children ages three through five.

Title VI-R Fund To account for federal monies used to hire additional classroom teachers in grades one through three.

Miscellaneous Federal Grants Fund To account for federal monies not otherwise designated to a specific purpose.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

Bond Retirement Fund To account for tax levies that are utilized for the repayment of general obligation bonds of the School District.

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund To account for monies used for the acquisition or construction of major capital facilities.

Building Fund To account for monies used for construction and capital acquisitions.

Capital Replacement Fund To account for the monies transferred from the general fund for the purpose of vehicle replacement.

Vocational Equipment Fund To account for reimbursements from the State and transfers from the general fund for the purchase of vocational education equipment.

SchoolNet Fund This fund accounts for State monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Bedford City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,273,565	\$1,385,940	\$511,593	\$3,171,098
Cash and Cash Equivalents with Fiscal Agent	0	0	2,891	2,891
Investments	0	165,000	0	165,000
Accounts Receivable	1,530	0	11,724	13,254
Intergovernmental Receivable	554,808	0	0	554,808
Inventory Held for Resale	24,831	0	0	24,831
Materials and Supplies Inventory	4,854	0	0	4,854
Taxes Receivable	0	1,124,131	586,464	1,710,595
<i>Total Assets</i>	<u>\$1,859,588</u>	<u>\$2,675,071</u>	<u>\$1,112,672</u>	<u>\$5,647,331</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$99,250	\$0	\$1,762	\$101,012
Accrued Wages and Benefits Payable	174,086	0	0	174,086
Intergovernmental Payable	138,272	0	0	138,272
Interfund Payable	684,883	0	103,335	788,218
Deferred Revenue	493,572	771,064	411,996	1,676,632
<i>Total Liabilities</i>	<u>1,590,063</u>	<u>771,064</u>	<u>517,093</u>	<u>2,878,220</u>
Fund Balances:				
Reserved for Encumbrances	442,709	0	294,236	736,945
Reserved for Property Taxes	0	346,149	169,794	515,943
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	(173,184)	0	0	(173,184)
Debt Service Funds	0	1,557,858	0	1,557,858
Capital Projects Funds	0	0	131,549	131,549
<i>Total Fund Balances</i>	<u>269,525</u>	<u>1,904,007</u>	<u>595,579</u>	<u>2,769,111</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,859,588</u>	<u>\$2,675,071</u>	<u>\$1,112,672</u>	<u>\$5,647,331</u>

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$0	\$1,354,639	\$676,750	\$2,031,389
Intergovernmental	2,928,326	112,715	104,060	3,145,101
Interest	1,094	0	15,759	16,853
Charges for Services	765,852	0	0	765,852
Tuition and Fees	44,197	0	0	44,197
Rentals	28,965	0	0	28,965
Extracurricular Activities	215,339	0	0	215,339
Contributions and Donations	349,198	0	0	349,198
Miscellaneous	71,224	0	11,724	82,948
<i>Total Revenues</i>	<u>4,404,195</u>	<u>1,467,354</u>	<u>808,293</u>	<u>6,679,842</u>
Expenditures				
Current:				
Instruction:				
Regular	672,992	0	0	672,992
Special	1,183,176	0	0	1,183,176
Vocational	196,532	0	0	196,532
Support Services:				
Pupil	30,938	0	0	30,938
Instructional Staff	164,839	0	0	164,839
Administration	115,814	0	0	115,814
Business	73,366	0	0	73,366
Operation and Maintenance of Plant	30,800	0	0	30,800
Pupil Transportation	20,847	0	0	20,847
Central	8,747	0	0	8,747
Operation of Non-instructional Services:				
Food Service Operations	1,414,479	0	0	1,414,479
Other Non-instructional Services	485,150	0	0	485,150
Extracurricular Activities	242,353	0	0	242,353
Capital Outlay	0	0	188,204	188,204
Debt Service:				
Principal Retirement	0	835,000	0	835,000
Interest and Fiscal Charges	0	339,375	0	339,375
<i>Total Expenditures</i>	<u>4,640,033</u>	<u>1,174,375</u>	<u>188,204</u>	<u>6,002,612</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(235,838)</u>	<u>292,979</u>	<u>620,089</u>	<u>677,230</u>
Other Financing Sources (Uses)				
Transfers In	126,295	0	0	126,295
Transfers Out	(108,677)	0	0	(108,677)
<i>Total Other Financing Sources (Uses)</i>	<u>17,618</u>	<u>0</u>	<u>0</u>	<u>17,618</u>
<i>Net Change in Fund Balances</i>	(218,220)	292,979	620,089	694,848
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>487,745</u>	<u>1,611,028</u>	<u>(24,510)</u>	<u>2,074,263</u>
<i>Fund Balances End of Year</i>	<u>\$269,525</u>	<u>\$1,904,007</u>	<u>\$595,579</u>	<u>\$2,769,111</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Food Service	Summer School	Adult and Continuing Education	Recreation
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,385	\$84,759	\$23,017	\$8,967
Accounts Receivable	0	0	0	530
Intergovernmental Receivable	61,236	0	0	0
Inventory Held for Resale	24,831	0	0	0
Materials and Supplies Inventory	4,854	0	0	0
<i>Total Assets</i>	<u>\$102,306</u>	<u>\$84,759</u>	<u>\$23,017</u>	<u>\$9,497</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	53,370	0	0	0
Intergovernmental Payable	95,283	10,229	0	1,268
Interfund Payable	145,787	45,516	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>294,440</u>	<u>55,745</u>	<u>0</u>	<u>1,268</u>
Fund Balances				
Reserved for Encumbrances	575	0	0	0
Unreserved, Undesignated (Deficit)	(192,709)	29,014	23,017	8,229
<i>Total Fund Balances (Deficit)</i>	<u>(192,134)</u>	<u>29,014</u>	<u>23,017</u>	<u>8,229</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$102,306</u>	<u>\$84,759</u>	<u>\$23,017</u>	<u>\$9,497</u>

Public School Support	Local Grants	Special Enterprise	District Managed Student Activities	Auxiliary Services	Education Management Information Systems
\$88,545	\$336,180	\$162,886	\$25,658	\$85,689	\$10,419
0	0	1,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$88,545</u>	<u>\$336,180</u>	<u>\$163,886</u>	<u>\$25,658</u>	<u>\$85,689</u>	<u>\$10,419</u>
\$6,436	\$379	\$0	\$100	\$36,054	\$3,579
0	0	0	0	2,059	0
0	45	0	32	6,940	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,436</u>	<u>424</u>	<u>0</u>	<u>132</u>	<u>45,053</u>	<u>3,579</u>
3,434	300,477	0	971	31,565	0
<u>78,675</u>	<u>35,279</u>	<u>163,886</u>	<u>24,555</u>	<u>9,071</u>	<u>6,840</u>
<u>82,109</u>	<u>335,756</u>	<u>163,886</u>	<u>25,526</u>	<u>40,636</u>	<u>6,840</u>
<u>\$88,545</u>	<u>\$336,180</u>	<u>\$163,886</u>	<u>\$25,658</u>	<u>\$85,689</u>	<u>\$10,419</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	Entry Year Teachers	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development	Ohio Reads Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$1,133	\$13,549
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	11,129
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,133</u>	<u>\$24,678</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$295	\$0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	133	1,829	0	82
Interfund Payable	0	0	0	11,129
Deferred Revenue	0	0	0	11,129
<i>Total Liabilities</i>	<u>133</u>	<u>1,829</u>	<u>295</u>	<u>22,340</u>
Fund Balances				
Reserved for Encumbrances	0	0	71	9,591
Unreserved, Undesignated (Deficit)	(133)	(1,829)	767	(7,253)
<i>Total Fund Balances (Deficit)</i>	<u>(133)</u>	<u>(1,829)</u>	<u>838</u>	<u>2,338</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,133</u>	<u>\$24,678</u>

<u>Summer Intervention</u>	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>
\$25,067	\$138,001	\$18,561	\$161,960	\$17,024	\$9,628
0	0	0	0	0	0
20,924	176,451	51,998	149,778	17,859	10,305
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$45,991</u>	<u>\$314,452</u>	<u>\$70,559</u>	<u>\$311,738</u>	<u>\$34,883</u>	<u>\$19,933</u>
\$17,165	\$6,149	\$1,204	\$21,791	\$516	\$400
0	44,074	0	54,639	0	0
138	8,694	0	9,898	16	25
20,924	176,451	51,998	149,778	17,859	10,305
20,924	176,451	51,998	149,778	17,859	10,305
<u>59,151</u>	<u>411,819</u>	<u>105,200</u>	<u>385,884</u>	<u>36,250</u>	<u>21,035</u>
7,902	35,723	8,551	27,590	2,500	2,608
<u>(21,062)</u>	<u>(133,090)</u>	<u>(43,192)</u>	<u>(101,736)</u>	<u>(3,867)</u>	<u>(3,710)</u>
<u>(13,160)</u>	<u>(97,367)</u>	<u>(34,641)</u>	<u>(74,146)</u>	<u>(1,367)</u>	<u>(1,102)</u>
<u>\$45,991</u>	<u>\$314,452</u>	<u>\$70,559</u>	<u>\$311,738</u>	<u>\$34,883</u>	<u>\$19,933</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	<u>Preschool Handicapped</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,146	\$29,975	\$11,016	\$1,273,565
Accounts Receivable	0	0	0	1,530
Intergovernmental Receivable	13,855	29,911	11,362	554,808
Inventory Held for Resale	0	0	0	24,831
Materials and Supplies Inventory	0	0	0	4,854
<i>Total Assets</i>	<u>\$24,001</u>	<u>\$59,886</u>	<u>\$22,378</u>	<u>\$1,859,588</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$5,182	\$99,250
Accrued Wages and Benefits Payable	1,387	18,557	0	174,086
Intergovernmental Payable	180	3,480	0	138,272
Interfund Payable	13,855	29,919	11,362	684,883
Deferred Revenue	13,855	29,911	11,362	493,572
<i>Total Liabilities</i>	<u>29,277</u>	<u>81,867</u>	<u>27,906</u>	<u>1,590,063</u>
Fund Balances				
Reserved for Encumbrances	3,997	4,638	2,516	442,709
Unreserved, Undesignated (Deficit)	<u>(9,273)</u>	<u>(26,619)</u>	<u>(8,044)</u>	<u>(173,184)</u>
<i>Total Fund Balances (Deficit)</i>	<u>(5,276)</u>	<u>(21,981)</u>	<u>(5,528)</u>	<u>269,525</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$24,001</u>	<u>\$59,886</u>	<u>\$22,378</u>	<u>\$1,859,588</u>

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies	Summer School	Adult and Continuing Education
Revenues				
Intergovernmental	\$518,616	\$0	\$4,000	\$0
Interest	0	0	0	0
Charges for Services	760,722	0	0	0
Tuition and Fees	0	0	38,409	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	40,703	0	0	0
<i>Total Revenues</i>	<u>1,320,041</u>	<u>0</u>	<u>42,409</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	53,220	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	5,690	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,414,479	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,414,479</u>	<u>0</u>	<u>58,910</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(94,438)</u>	<u>0</u>	<u>(16,501)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In	0	0	23,433	0
Transfers Out	0	(108,677)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(108,677)</u>	<u>23,433</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(94,438)	(108,677)	6,932	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(97,696)</u>	<u>108,677</u>	<u>22,082</u>	<u>23,017</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$192,134)</u>	<u>\$0</u>	<u>\$29,014</u>	<u>\$23,017</u>

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2005

	Recreation	Public School Support	Local Grants	Special Enterprise
Revenues				
Intergovernmental	\$0	\$0	\$17,402	\$0
Interest	0	0	0	0
Charges for Services	5,130	0	0	0
Tuition and Fees	0	5,788	0	0
Rentals	6,715	0	0	22,250
Extracurricular Activities	0	107,920	1,005	0
Contributions and Donations	0	4,244	331,024	0
Miscellaneous	0	30,521	0	0
<i>Total Revenues</i>	<u>11,845</u>	<u>148,473</u>	<u>349,431</u>	<u>22,250</u>
Expenditures				
Current:				
Instruction:				
Regular	0	142,235	6,465	0
Special	0	0	423	0
Vocational	0	631	17,909	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	5,248	1,117	0
Administration	0	2,288	0	0
Business	0	3,118	0	70,248
Operation and Maintenance of Plant	0	0	16,200	0
Pupil Transportation	0	0	20,000	0
Central	0	1,975	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	20,920	0	7,645	0
Extracurricular Activities	0	3,609	2,000	0
<i>Total Expenditures</i>	<u>20,920</u>	<u>159,104</u>	<u>71,759</u>	<u>70,248</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,075)</u>	<u>(10,631)</u>	<u>277,672</u>	<u>(47,998)</u>
Other Financing Sources (Uses)				
Transfers In	0	5,000	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(9,075)</u>	<u>(5,631)</u>	<u>277,672</u>	<u>(47,998)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>17,304</u>	<u>87,740</u>	<u>58,084</u>	<u>211,884</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$8,229</u>	<u>\$82,109</u>	<u>\$335,756</u>	<u>\$163,886</u>

District Managed Student Activities	Auxiliary Services	Education Management Information Systems	Entry Year Teachers	Disadvantaged Pupil Impact Aid	Data Communications
\$0	\$417,104	\$12,083	\$16,500	\$189,826	\$21,000
0	1,094	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
106,414	0	0	0	0	0
13,930	0	0	0	0	0
0	0	0	0	0	0
<u>120,344</u>	<u>418,198</u>	<u>12,083</u>	<u>16,500</u>	<u>189,826</u>	<u>21,000</u>
0	0	0	0	56,183	0
0	0	0	0	122,852	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	16,221	16,633	0	21,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	12,620	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	417,657	0	0	0	0
236,744	0	0	0	0	0
<u>236,744</u>	<u>417,657</u>	<u>16,221</u>	<u>16,633</u>	<u>191,655</u>	<u>21,000</u>
<u>(116,400)</u>	<u>541</u>	<u>(4,138)</u>	<u>(133)</u>	<u>(1,829)</u>	<u>0</u>
97,420	0	0	0	0	0
0	0	0	0	0	0
<u>97,420</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(18,980)	541	(4,138)	(133)	(1,829)	0
44,506	40,095	10,978	0	0	0
<u>\$25,526</u>	<u>\$40,636</u>	<u>\$6,840</u>	<u>(\$133)</u>	<u>(\$1,829)</u>	<u>\$0</u>

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2005

	SchoolNet Professional Development	Ohio Reads Grant	Summer Intervention	Vocational Education Enhancement
Revenues				
Intergovernmental	\$4,140	\$32,797	\$76,670	\$24,259
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>4,140</u>	<u>32,797</u>	<u>76,670</u>	<u>24,259</u>
Expenditures				
Current:				
Instruction:				
Regular	7,442	68,440	81,409	0
Special	0	0	0	0
Vocational	0	0	0	3,953
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	8,523	12,375
Administration	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	847	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>7,442</u>	<u>69,287</u>	<u>89,932</u>	<u>16,328</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,302)</u>	<u>(36,490)</u>	<u>(13,262)</u>	<u>7,931</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	432
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>432</u>
<i>Net Change in Fund Balances</i>	(3,302)	(36,490)	(13,262)	8,363
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,140</u>	<u>38,828</u>	<u>102</u>	<u>(8,363)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$838</u></u>	<u><u>\$2,338</u></u>	<u><u>(\$13,160)</u></u>	<u><u>\$0</u></u>

Miscellaneous State Grants	Title II	Title VI-B	Vocational Education	Title III	Title I
\$3,773	\$0	\$706,761	\$150,338	\$4,107	\$534,388
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,773</u>	<u>0</u>	<u>706,761</u>	<u>150,338</u>	<u>4,107</u>	<u>534,388</u>
0	0	0	0	4,107	86,345
0	0	595,685	0	0	455,160
0	0	66,394	107,645	0	0
0	0	16,325	14,613	0	0
0	9	598	18,988	0	20,990
0	0	105,256	2,580	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,773	0	0	2,999	0	0
0	0	0	0	0	0
0	0	12,280	0	0	18,375
0	0	0	0	0	0
<u>3,773</u>	<u>9</u>	<u>796,538</u>	<u>146,825</u>	<u>4,107</u>	<u>580,870</u>
<u>0</u>	<u>(9)</u>	<u>(89,777)</u>	<u>3,513</u>	<u>0</u>	<u>(46,482)</u>
0	0	0	0	0	10
0	0	0	0	0	0
0	0	0	0	0	10
0	(9)	(89,777)	3,513	0	(46,472)
0	9	(7,590)	(38,154)	0	(27,674)
<u>\$0</u>	<u>\$0</u>	<u>(\$97,367)</u>	<u>(\$34,641)</u>	<u>\$0</u>	<u>(\$74,146)</u>

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2005

	Title V	Drug Free Schools	Preschool Handicapped	Title VI-R
Revenues				
Intergovernmental	\$15,849	\$9,354	\$28,651	\$135,577
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>15,849</u>	<u>9,354</u>	<u>28,651</u>	<u>135,577</u>
Expenditures				
Current:				
Instruction:				
Regular	17,037	9,034	0	131,788
Special	0	0	9,056	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	1,104	24,871	16,290
Administration	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	1,980	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	3,659	35	0	2,646
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>20,696</u>	<u>12,153</u>	<u>33,927</u>	<u>150,724</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,847)</u>	<u>(2,799)</u>	<u>(5,276)</u>	<u>(15,147)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(4,847)	(2,799)	(5,276)	(15,147)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>3,480</u>	<u>1,697</u>	<u>0</u>	<u>(6,834)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$1,367)</u></u>	<u><u>(\$1,102)</u></u>	<u><u>(\$5,276)</u></u>	<u><u>(\$21,981)</u></u>

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$5,131	\$2,928,326
0	1,094
0	765,852
0	44,197
0	28,965
0	215,339
0	349,198
0	71,224
<u>5,131</u>	<u>4,404,195</u>
9,287	672,992
0	1,183,176
0	196,532
0	30,938
872	164,839
0	115,814
0	73,366
0	30,800
0	20,847
0	8,747
0	1,414,479
1,933	485,150
0	242,353
<u>12,092</u>	<u>4,640,033</u>
<u>(6,961)</u>	<u>(235,838)</u>
0	126,295
0	(108,677)
<u>0</u>	<u>17,618</u>
(6,961)	(218,220)
<u>1,433</u>	<u>487,745</u>
<u>(\$5,528)</u>	<u>\$269,525</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	Permanent Improvement	Building	Capital Repalcement	Vocational Equipment	SchoolNet	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$312,144	\$27,120	\$150,844	\$19,659	\$1,826	\$511,593
Cash and Cash Equivalents with Fiscal Agent	0	2,891	0	0	0	2,891
Accounts Receivable	0	11,724	0	0	0	11,724
Taxes Receivable	586,464	0	0	0	0	586,464
<i>Total Assets</i>	<u>\$898,608</u>	<u>\$41,735</u>	<u>\$150,844</u>	<u>\$19,659</u>	<u>\$1,826</u>	<u>\$1,112,672</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$1,762	\$0	\$1,762
Interfund Payable	90,572	0	0	12,763	0	103,335
Deferred Revenue	411,996	0	0	0	0	411,996
<i>Total Liabilities</i>	<u>502,568</u>	<u>0</u>	<u>0</u>	<u>14,525</u>	<u>0</u>	<u>517,093</u>
Fund Balances:						
Reserved for Encumbrances	286,236	8,000	0	0	0	294,236
Reserved for Property Taxes	169,794	0	0	0	0	169,794
Unreserved, Undesignated (Deficit)	(59,990)	33,735	150,844	5,134	1,826	131,549
<i>Total Fund Balances</i>	<u>396,040</u>	<u>41,735</u>	<u>150,844</u>	<u>5,134</u>	<u>1,826</u>	<u>595,579</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$898,608</u>	<u>\$41,735</u>	<u>\$150,844</u>	<u>\$19,659</u>	<u>\$1,826</u>	<u>\$1,112,672</u>

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005

	Permanent Improvement	Building	Capital Replacement	Vocational Equipment	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues						
Taxes	\$676,750	\$0	\$0	\$0	\$0	\$676,750
Intergovernmental	68,150	0	0	0	35,910	104,060
Interest	0	15,759	0	0	0	15,759
Miscellaneous	0	11,724	0	0	0	11,724
<i>Total Revenues</i>	<u>744,900</u>	<u>27,483</u>	<u>0</u>	<u>0</u>	<u>35,910</u>	<u>808,293</u>
Expenditures						
Capital Outlay	65,100	54,265	29,652	5,103	34,084	188,204
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>65,100</u>	<u>54,265</u>	<u>29,652</u>	<u>5,103</u>	<u>34,084</u>	<u>188,204</u>
<i>Net Change in Fund Balances</i>	679,800	(26,782)	(29,652)	(5,103)	1,826	620,089
<i>Fund Balances (Deficit)</i>						
<i>Beginning of Year</i>	<u>(283,760)</u>	<u>68,517</u>	<u>180,496</u>	<u>10,237</u>	<u>0</u>	<u>(24,510)</u>
<i>Fund Balances End of Year</i>	<u>\$396,040</u>	<u>\$41,735</u>	<u>\$150,844</u>	<u>\$5,134</u>	<u>\$1,826</u>	<u>\$595,579</u>

Combining Statements - Internal Service Funds

Internal service funds account for the financing of goods or services provided by one fund of the School District to other funds of the School District on a cost-reimbursement basis.

Self Insurance Fund To account for the transactions of the School District's self-funded dental and prescription drug benefits fund.

Computer Network Fund To account for group purchases of computer supplies.

Bedford City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2005

	Self Insurance	Computer Network	Total Internal Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,292,587	\$578	\$1,293,165
Liabilities			
Claims Payable	565,656	0	565,656
Net Assets			
Unrestricted	\$726,931	\$578	\$727,509

Bedford City School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2005*

	Self Insurance	Computer Network	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$1,273,739	\$0	\$1,273,739
Operating Expenses			
Purchased Services	240,387	0	240,387
Claims	1,034,848	0	1,034,848
<i>Total Operating Expenses</i>	1,275,235	0	1,275,235
<i>Change in Net Assets</i>	(1,496)	0	(1,496)
<i>Net Assets Beginning of Year</i>	728,427	578	729,005
<i>Net Assets End of Year</i>	\$726,931	\$578	\$727,509

Bedford City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005

	Self Insurance	Computer Network	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$1,273,739	\$0	\$1,273,739
Cash Payments for Purchased Services	(240,387)	0	(240,387)
Cash Payments for Claims	(904,312)	0	(904,312)
<i>Net Increase in Cash and Cash Equivalents</i>	129,040	0	129,040
<i>Cash and Cash Equivalents Beginning of Year</i>	1,163,547	578	1,164,125
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,292,587</u>	<u>\$578</u>	<u>\$1,293,165</u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating Loss	(\$1,496)	\$0	(\$1,496)
<i>Adjustments:</i>			
Increase in Claims Payable	130,536	0	130,536
<i>Net Cash Provided by Operating Activities</i>	<u>\$129,040</u>	<u>\$0</u>	<u>\$129,040</u>

Agency Fund

Agency Funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. operations.

Student Activities Fund To account for resources that belong to the student bodies of various schools, accounting for sales and other revenue generating activities.

Bedford City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Beginning Balance June 30, 2004	Additions	Reductions	Ending Balance June 30, 2005
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$30,867	\$109,729	\$102,724	\$37,872
Liabilities				
Accounts Payable	\$72	\$0	\$72	\$0
Due to Students	30,795	109,729	102,652	37,872
<i>Total Liabilities</i>	\$30,867	\$109,729	\$102,724	\$37,872

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in Fund Balance/Fund
Equity - Budget (Non-GAAP Basis) and Actual**

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$27,860,409	\$31,226,058	\$32,892,402	\$1,666,344
Intergovernmental	8,114,366	9,095,243	9,095,243	0
Interest	247,027	276,869	308,180	31,311
Tuition and Fees	195,255	218,843	218,843	0
Rentals	2,690	3,015	3,015	0
Miscellaneous	74,959	84,019	84,074	55
<i>Total Revenues</i>	<u>36,494,706</u>	<u>40,904,047</u>	<u>42,601,757</u>	<u>1,697,710</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	9,760,653	10,059,069	10,059,069	0
Fringe Benefits	3,335,133	3,437,099	3,437,099	0
Purchased Services	1,267,131	1,267,492	1,105,430	162,062
Materials and Supplies	886,541	913,646	913,646	0
Capital Outlay - New	31,229	32,184	32,018	166
Capital Outlay - Replacement	4,038	4,160	3,060	1,100
Other	13,301	13,708	13,708	0
Total Regular	<u>15,298,026</u>	<u>15,727,358</u>	<u>15,564,030</u>	<u>163,328</u>
Special:				
Salaries and Wages	2,853,917	2,941,171	2,941,171	0
Fringe Benefits	892,498	919,785	919,785	0
Purchased Services	28,518	29,390	29,390	0
Materials and Supplies	11,964	12,021	11,370	651
Other	5,306	5,468	5,468	0
Total Special	<u>3,792,203</u>	<u>3,907,835</u>	<u>3,907,184</u>	<u>651</u>
Vocational:				
Salaries and Wages	855,797	881,962	881,962	0
Fringe Benefits	309,774	319,245	319,245	0
Purchased Services	4,715	4,859	4,637	222
Materials and Supplies	39,802	41,019	40,905	114
Capital Outlay - New	13,924	14,350	14,350	0
Capital Outlay - Replacement	7,954	8,197	8,197	0
Total Vocational	<u>1,231,966</u>	<u>1,269,632</u>	<u>1,269,296</u>	<u>336</u>
Total Instruction	<u>\$20,322,195</u>	<u>\$20,904,825</u>	<u>\$20,740,510</u>	<u>\$164,315</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support Services:				
Pupils:				
Salaries and Wages	\$1,483,581	\$1,528,939	\$1,528,939	\$0
Fringe Benefits	473,631	488,111	488,111	0
Purchased Services	510,871	526,490	523,105	3,385
Materials and Supplies	152,047	156,415	153,125	3,290
Capital Outlay - New	11,254	11,598	11,598	0
Other	569	586	586	0
Total Pupils	<u>2,631,953</u>	<u>2,712,139</u>	<u>2,705,464</u>	<u>6,675</u>
Instructional Staff:				
Salaries and Wages	764,142	787,504	787,504	0
Fringe Benefits	326,906	336,901	336,901	0
Purchased Services	229,770	236,795	231,725	5,070
Materials and Supplies	202,258	208,442	203,042	5,400
Capital Outlay - New	97,521	100,503	98,556	1,947
Capital Outlay - Replacement	2,915	3,004	3,004	0
Other	9,050	9,327	9,327	0
Total Instructional Staff	<u>1,632,562</u>	<u>1,682,476</u>	<u>1,670,059</u>	<u>12,417</u>
Board of Education:				
Salaries and Wages	16,132	16,625	16,625	0
Fringe Benefits	22,649	23,341	23,341	0
Purchased Services	173,869	179,185	179,185	0
Materials and Supplies	286	295	295	0
Other	6,218	6,408	6,408	0
Total Board of Education	<u>219,154</u>	<u>225,854</u>	<u>225,854</u>	<u>0</u>
Administration:				
Salaries and Wages	1,992,109	2,053,014	2,053,014	0
Fringe Benefits	861,004	887,328	887,328	0
Purchased Services	122,590	126,338	120,295	6,043
Materials and Supplies	87,621	90,300	84,995	5,305
Capital Outlay - New	19,666	20,267	13,638	6,629
Capital Outlay - Replacement	1,350	1,391	1,391	0
Other	95,370	98,286	98,286	0
Total Administration	<u>\$3,179,710</u>	<u>\$3,276,924</u>	<u>\$3,258,947</u>	<u>\$17,977</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$301,501	\$310,719	\$310,719	\$0
Fringe Benefits	127,987	131,900	131,900	0
Purchased Services	167,094	172,203	172,203	0
Materials and Supplies	14,795	15,247	15,247	0
Capital Outlay - Replacement	2,600	2,679	2,679	0
Other	670,224	690,715	690,715	0
Total Fiscal	1,284,201	1,323,463	1,323,463	0
Business:				
Salaries and Wages	280,226	288,793	288,793	0
Fringe Benefits	109,564	112,914	112,914	0
Purchased Services	132,665	142,727	142,727	0
Materials and Supplies	22,463	23,150	23,150	0
Capital Outlay - New	112,675	116,120	116,120	0
Other	2,466	2,541	2,541	0
Total Business	660,059	686,245	686,245	0
Operation and Maintenance of Plant:				
Salaries and Wages	2,304,288	2,374,738	2,374,738	0
Fringe Benefits	1,034,754	1,066,390	1,066,390	0
Purchased Services	2,427,208	2,501,416	2,501,416	0
Materials and Supplies	266,256	274,396	273,818	578
Capital Outlay - New	53,199	54,825	54,825	0
Capital Outlay - Replacement	61,319	63,194	63,194	0
Other	3,337	3,439	3,439	0
Total Operation and Maintenance of Plant	6,150,361	6,338,398	6,337,820	578
Pupil Transportation:				
Salaries and Wages	1,944,165	2,003,605	2,003,605	0
Fringe Benefits	640,246	659,820	659,820	0
Purchased Services	266,938	275,099	275,099	0
Materials and Supplies	468,794	483,127	480,862	2,265
Capital Outlay - New	167	172	172	0
Capital Outlay - Replacement	42,931	44,244	44,244	0
Other	4,547	4,686	4,686	0
Total Pupil Transportation	\$3,367,788	\$3,470,753	\$3,468,488	\$2,265

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Central:				
Salaries and Wages	\$133,491	\$137,572	\$137,572	\$0
Fringe Benefits	60,529	62,380	62,380	0
Purchased Services	110,960	114,352	114,352	0
Materials and Supplies	5,119	5,276	5,276	0
Capital Outlay - New	0	0	0	0
Capital Outlay - Replacement	0	0	0	0
Total Central	<u>310,099</u>	<u>319,580</u>	<u>319,580</u>	<u>0</u>
Total Support Services	<u>19,435,887</u>	<u>20,035,832</u>	<u>19,995,920</u>	<u>39,912</u>
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	<u>34,402</u>	<u>35,454</u>	<u>35,454</u>	<u>0</u>
Occupation Oriented:				
Salaries and Wages	<u>4,206</u>	<u>4,335</u>	<u>4,335</u>	<u>0</u>
Sports Oriented:				
Salaries and Wages	315,310	325,259	325,259	0
Fringe Benefits	<u>15,595</u>	<u>16,072</u>	<u>16,072</u>	<u>0</u>
Total Sports Oriented	<u>330,905</u>	<u>341,331</u>	<u>341,331</u>	<u>0</u>
School and Public Service Oriented:				
Salaries and Wages	28,009	28,865	28,865	0
Fringe Benefits	<u>756</u>	<u>779</u>	<u>779</u>	<u>0</u>
Total School and Public Service Oriented	<u>28,765</u>	<u>29,644</u>	<u>29,644</u>	<u>0</u>
Total Extracurricular Activities	<u>398,278</u>	<u>410,764</u>	<u>410,764</u>	<u>0</u>
Debt Service:				
Principal Retirement	293,836	298,049	298,049	0
Interest and Fiscal Charges	<u>68,579</u>	<u>69,441</u>	<u>69,441</u>	<u>0</u>
Total Debt Service	<u>\$362,415</u>	<u>\$367,490</u>	<u>\$367,490</u>	<u>\$0</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Total Expenditures</i>	<u>\$40,518,775</u>	<u>\$41,718,911</u>	<u>\$41,514,684</u>	<u>\$204,227</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,024,069)</u>	<u>(814,864)</u>	<u>1,087,073</u>	<u>1,901,937</u>
Other Financing Sources (Uses)				
Contingencies	(7,021)	(7,236)	0	7,236
Advances In	1,177,066	1,355,694	1,355,694	0
Advances Out	(755,886)	(788,218)	(788,218)	0
Transfers In	96,963	108,677	108,677	0
Transfers Out	<u>(132,864)</u>	<u>(137,207)</u>	<u>(126,295)</u>	<u>10,912</u>
<i>Total Other Financing Sources (Uses)</i>	<u>378,258</u>	<u>531,710</u>	<u>549,858</u>	<u>18,148</u>
<i>Net Change in Fund Balance</i>	<u>(3,645,811)</u>	<u>(283,154)</u>	<u>1,636,931</u>	<u>1,920,085</u>
<i>Fund Balance Beginning of Year</i>	6,086,026	6,086,026	6,086,026	0
Prior Year Encumbrances Appropriated	<u>1,096,629</u>	<u>1,096,629</u>	<u>1,096,629</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,536,844</u></u>	<u><u>\$6,899,501</u></u>	<u><u>\$8,819,586</u></u>	<u><u>\$1,920,085</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$500,895	\$554,685	\$554,685	\$0
Charges for Services	686,952	760,722	760,722	0
Miscellaneous	35,879	39,731	40,703	972
<i>Total Revenues</i>	<u>1,223,726</u>	<u>1,355,138</u>	<u>1,356,110</u>	<u>972</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Services Operations:				
Salaries and Wages	495,456	547,824	547,823	1
Fringe Benefits	166,134	183,694	183,694	0
Purchased Services	13,195	14,590	9,052	5,538
Materials and Supplies	547,403	605,262	605,242	20
Capital Outlay - New	13,052	14,432	10,153	4,279
Capital Outlay - Replacement	2,547	2,816	2,816	0
<i>Total Expenditures</i>	<u>1,237,787</u>	<u>1,368,618</u>	<u>1,358,780</u>	<u>9,838</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(14,061)</u>	<u>(13,480)</u>	<u>(2,670)</u>	<u>10,810</u>
Other Financing Sources (Uses)				
Advances In	127,577	145,787	145,787	0
Advances Out	(165,216)	(187,118)	(187,118)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(37,639)</u>	<u>(41,331)</u>	<u>(41,331)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(51,700)	(54,811)	(44,001)	10,810
<i>Fund Balance Beginning of Year</i>	<u>54,811</u>	<u>54,811</u>	<u>54,811</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,111</u>	<u>\$0</u>	<u>\$10,810</u>	<u>\$10,810</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	<u>(108,677)</u>	<u>(108,677)</u>	<u>(108,677)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(108,677)	(108,677)	(108,677)	0
<i>Fund Balance Beginning of Year</i>	<u>108,677</u>	<u>108,677</u>	<u>108,677</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,779	\$4,000	\$4,000	\$0
Tuition and Fees	15,432	34,706	38,409	3,703
<i>Total Revenues</i>	<u>17,211</u>	<u>38,706</u>	<u>42,409</u>	<u>3,703</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	70,517	96,740	46,970	49,770
Fringe Benefits	10,360	14,213	6,070	8,143
Purchased Services	1,822	2,500	0	2,500
Materials and Supplies	2,178	2,988	0	2,988
Total Instruction	<u>84,877</u>	<u>116,441</u>	<u>53,040</u>	<u>63,401</u>
Support Services:				
Administration:				
Salaries and Wages	7,307	10,024	5,023	5,001
Fringe Benefits	1,384	1,899	575	1,324
Total Administration	<u>8,691</u>	<u>11,923</u>	<u>5,598</u>	<u>6,325</u>
Pupil Transportation:				
Purchased Services	<u>8,260</u>	<u>11,330</u>	<u>0</u>	<u>11,330</u>
Total Support Services	<u>16,951</u>	<u>23,253</u>	<u>5,598</u>	<u>17,655</u>
<i>Total Expenditures</i>	<u>101,828</u>	<u>139,694</u>	<u>58,638</u>	<u>81,056</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(84,617)</u>	<u>(100,988)</u>	<u>(16,229)</u>	<u>84,759</u>
Other Financing Sources (Uses)				
Advances In	20,238	45,516	45,516	0
Advances Out	(58,949)	(80,870)	(80,870)	0
Transfers In	10,419	23,433	23,433	0
<i>Total Other Financing Sources (Uses)</i>	<u>(28,292)</u>	<u>(11,921)</u>	<u>(11,921)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(112,909)</u>	<u>(112,909)</u>	<u>(28,150)</u>	<u>84,759</u>
<i>Fund Balance Beginning of Year</i>	<u>112,909</u>	<u>112,909</u>	<u>112,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$84,759</u></u>	<u><u>\$84,759</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult and Continuing Education Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	23,017	23,017	23,017	0
<i>Fund Balance End of Year</i>	<u>\$23,017</u>	<u>\$23,017</u>	<u>\$23,017</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$4,969	\$5,130	\$5,130	\$0
Rentals	6,531	6,742	7,162	420
<i>Total Revenue</i>	<u>11,500</u>	<u>11,872</u>	<u>12,292</u>	<u>420</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	7,876	7,926	7,926	0
Fringe Benefits	1,034	1,041	1,041	0
Purchased Services	119	120	120	0
Materials and Supplies	90	90	90	0
Capital Outlay - New	10,881	10,950	10,950	0
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,127</u>	<u>20,127</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,500)	(8,255)	(7,835)	420
<i>Fund Balance Beginning of Year</i>	<u>16,802</u>	<u>16,802</u>	<u>16,802</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,302</u></u>	<u><u>\$8,547</u></u>	<u><u>\$8,967</u></u>	<u><u>\$420</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Tuition and Fees	\$7,670	\$7,828	\$7,828	\$0
Extracurricular Activities	107,265	109,468	109,468	0
Contributions and Donations	4,159	4,244	4,244	0
Miscellaneous	29,907	30,521	30,521	0
<i>Total Revenues</i>	<u>149,001</u>	<u>152,061</u>	<u>152,061</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	75,081	102,629	82,857	19,772
Materials and Supplies	60,918	83,270	52,605	30,665
Capital Outlay - New	98	134	0	134
Capital Outlay - Replacement	45	62	0	62
Other	12,833	17,541	14,645	2,896
Total Regular	<u>148,975</u>	<u>203,636</u>	<u>150,107</u>	<u>53,529</u>
Vocational:				
Materials and Supplies	1,103	1,508	631	877
Total Instruction	<u>150,078</u>	<u>205,144</u>	<u>150,738</u>	<u>54,406</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	7,641	10,444	3,420	7,024
Fringe Benefits	1,549	2,118	515	1,603
Purchased Services	1,855	2,535	1,100	1,435
Materials and Supplies	2,073	2,833	351	2,482
Other	11	16	0	16
Total Instructional Staff	<u>\$13,129</u>	<u>\$17,946</u>	<u>\$5,386</u>	<u>\$12,560</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Administration:				
Purchased Services	\$861	\$1,177	\$0	\$1,177
Materials and Supplies	4,283	5,855	2,966	2,889
Total Administration	<u>5,144</u>	<u>7,032</u>	<u>2,966</u>	<u>4,066</u>
Business:				
Materials and Supplies	5,902	8,067	3,810	4,257
Capital Outlay - New	90	123	0	123
Total Business	<u>5,992</u>	<u>8,190</u>	<u>3,810</u>	<u>4,380</u>
Central:				
Other	1,763	2,410	1,975	435
Total Support Services	<u>26,028</u>	<u>35,578</u>	<u>14,137</u>	<u>21,441</u>
Extracurricular Activities:				
School and Public Service Oriented:				
Other	5,841	7,985	5,157	2,828
<i>Total Expenditures</i>	<u>181,947</u>	<u>248,707</u>	<u>170,032</u>	<u>78,675</u>
<i>Excess of Revenues Under Expenditures</i>	(32,946)	(96,646)	(17,971)	78,675
Other Financing Sources				
Transfers In	4,899	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(28,047)	(91,646)	(12,971)	78,675
<i>Fund Balance Beginning of Year</i>	79,699	79,699	79,699	0
Prior Year Encumbrances Appropriated	11,947	11,947	11,947	0
<i>Fund Balance End of Year</i>	<u>\$63,599</u>	<u>\$0</u>	<u>\$78,675</u>	<u>\$78,675</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$51	\$17,402	\$17,402	\$0
Extracurricular Activities	3	1,005	1,005	0
Contributions and Donations	1,137	331,024	331,024	0
<i>Total Revenues</i>	1,191	349,431	349,431	0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	241	2,073	2,073	0
Fringe Benefits	50	428	361	67
Purchased Services	38	329	279	50
Materials and Supplies	365	3,145	1,534	1,611
Capital Outlay - New	281	2,423	2,292	131
Other	18	150	150	0
Total Regular	993	8,548	6,689	1,859
Special:				
Salaries and Wages	41	360	360	0
Fringe Benefits	7	60	60	0
Materials and Supplies	30	255	0	255
Total Special	78	675	420	255
Vocational:				
Salaries and Wages	589	5,074	5,074	0
Fringe Benefits	102	877	678	199
Purchased Services	645	5,552	5,552	0
Materials and Supplies	833	7,175	7,013	162
Capital Outlay - New	313	2,695	2,695	0
Total Vocational	2,482	21,373	21,012	361
Total Instruction	3,553	30,596	28,121	2,475
Support Services:				
Instructional Staff:				
Salaries and Wages	70	600	600	0
Fringe Benefits	2	19	19	0
Purchased Services	174	1,500	575	925
Materials and Supplies	124	1,066	766	300
Total Instructional Staff	\$370	\$3,185	\$1,960	\$1,225

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund (continued)
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administrative:				
Capital Outlay	\$34,835	\$300,000	\$300,000	\$0
Operation and Maintenance of Plant:				
Capital Outlay	1,881	16,200	16,200	0
Pupil Transportation:				
Purchased Services	2,322	20,000	20,000	0
Total Support Services	39,408	339,385	338,160	1,225
Operation of Non-Instructional Services:				
Community Services				
Other	4,056	34,931	5,285	29,646
Extracurricular Activities:				
Sports Oriented Activities				
Materials and Supplies	233	2,000	2,000	0
Total Expenditures	47,250	406,912	373,566	33,346
Net Change in Fund Balance	(46,059)	(57,481)	(24,135)	33,346
Fund Balance Beginning of Year	52,200	52,200	52,200	0
Prior Year Encumbrances Appropriated	7,259	7,259	7,259	0
Fund Balance End of Year	\$13,400	\$1,978	\$35,324	\$33,346

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Enterprise Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Rentals	\$35,000	\$21,250	\$21,250	\$0
Expenditures				
Current:				
Support Services:				
Business:				
Other	57,969	70,248	70,248	0
<i>Net Change in Fund Balance</i>	(22,969)	(48,998)	(48,998)	0
<i>Fund Balance Beginning of Year</i>	211,884	211,884	211,884	0
<i>Fund Balance End of Year</i>	<u>\$188,915</u>	<u>\$162,886</u>	<u>\$162,886</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Extracurricular Activities	\$88,857	\$106,804	\$106,804	\$0
Contributions and Donations	11,589	13,930	13,930	0
<i>Total Revenues</i>	<u>100,446</u>	<u>120,734</u>	<u>120,734</u>	<u>0</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	156	182	0	182
Purchased Services	1,563	1,826	438	1,388
Materials and Supplies	18,158	21,207	19,265	1,942
Other	16	19	0	19
Total Academic and Subject Oriented	<u>19,893</u>	<u>23,234</u>	<u>19,703</u>	<u>3,531</u>
Occupational Oriented:				
Purchased Services	1,250	1,460	0	1,460
Materials and Supplies	3,037	3,547	1,453	2,094
Total Occupational Oriented	<u>4,287</u>	<u>5,007</u>	<u>1,453</u>	<u>3,554</u>
Sport Oriented Activities:				
Salaries and Wages	4,838	5,650	5,650	0
Fringe Benefits	326	382	358	24
Purchased Services	54,975	64,205	64,152	53
Materials and Supplies	87,404	102,080	95,625	6,455
Capital Outlay - New	856	1,000	1,000	0
Other	682	796	796	0
Total Sport Oriented Activities	<u>\$149,081</u>	<u>\$174,113</u>	<u>\$167,581</u>	<u>\$6,532</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
School and Public Service Oriented:				
Purchased Services	\$32,810	\$36,675	\$36,375	\$300
Materials and Supplies	16,500	19,270	9,189	10,081
Other	7,923	9,253	8,664	589
Total School and Public Service Oriented	<u>57,233</u>	<u>65,198</u>	<u>54,228</u>	<u>10,970</u>
<i>Total Expenditures</i>	<u>230,494</u>	<u>267,552</u>	<u>242,965</u>	<u>24,587</u>
<i>Excess of Revenues Under Expenditures</i>	(130,048)	(146,818)	(122,231)	24,587
Other Financing Sources				
Transfers In	<u>81,050</u>	<u>97,420</u>	<u>97,420</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(48,998)	(49,398)	(24,811)	24,587
<i>Fund Balance Beginning of Year</i>	34,650	34,650	34,650	0
Prior Year Encumbrances Appropriated	<u>14,748</u>	<u>14,748</u>	<u>14,748</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$400</u>	<u>\$0</u>	<u>\$24,587</u>	<u>\$24,587</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$413,959	\$417,104	\$417,104	\$0
Interest	973	980	1,094	114
<i>Total Revenues</i>	<u>414,932</u>	<u>418,084</u>	<u>418,198</u>	<u>114</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	38,405	40,661	33,693	6,968
Fringe Benefits	6,054	6,410	5,454	956
Purchased Services	255,166	270,155	268,693	1,462
Materials and Supplies	157,800	167,070	160,997	6,073
Capital Outlay - New	18,083	19,145	18,727	418
<i>Total Expenditures</i>	<u>475,508</u>	<u>503,441</u>	<u>487,564</u>	<u>15,877</u>
<i>Net Change in Fund Balance</i>	(60,576)	(85,357)	(69,366)	15,991
<i>Fund Balance Beginning of Year</i>	26,860	26,860	26,860	0
Prior Year Encumbrances Appropriated	<u>60,576</u>	<u>60,576</u>	<u>60,576</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,860</u></u>	<u><u>\$2,079</u></u>	<u><u>\$18,070</u></u>	<u><u>\$15,991</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$13,890	\$12,083	\$12,083	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	17,907	23,061	16,221	6,840
<i>Net Change in Fund Balance</i>	(4,017)	(10,978)	(4,138)	6,840
<i>Fund Balance Beginning of Year</i>	6,961	6,961	6,961	0
Prior Year Encumbrances Appropriated	4,017	4,017	4,017	0
<i>Fund Balance End of Year</i>	<u>\$6,961</u>	<u>\$0</u>	<u>\$6,840</u>	<u>\$6,840</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Teachers Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$16,500	\$16,500	\$16,500	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	14,850	14,850	14,850	0
Fringe Benefits	1,650	1,650	1,650	0
<i>Total Expenditures</i>	16,500	16,500	16,500	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$163,570	\$189,826	\$189,826	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	47,982	55,684	55,684	0
Special:				
Salaries and Wages	104,918	121,760	121,760	0
Total Instruction	152,900	177,444	177,444	0
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	10,670	12,382	12,382	0
<i>Total Expenditures</i>	<u>163,570</u>	<u>189,826</u>	<u>189,826</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$24,000	\$21,000	\$21,000	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>20,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,000	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Bedford City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,000	\$4,140	\$4,140	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>8,000</u>	<u>8,280</u>	<u>7,513</u>	<u>767</u>
<i>Net Change in Fund Balance</i>	(3,000)	(4,140)	(3,373)	767
<i>Fund Balance Beginning of Year</i>	<u>4,140</u>	<u>4,140</u>	<u>4,140</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,140</u></u>	<u><u>\$0</u></u>	<u><u>\$767</u></u>	<u><u>\$767</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$22,908	\$32,797	\$32,797	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,312	13,183	10,908	2,275
Fringe Benefits	1,793	2,292	1,437	855
Purchased Services	1,330	1,700	1,373	327
Materials and Supplies	54,256	69,363	68,862	501
Other	3,853	4,926	4,926	0
Total Instruction	71,544	91,464	87,506	3,958
Support Services:				
Pupil Transportation:				
Purchased Services	662	847	847	0
<i>Total Expenditures</i>	<u>72,206</u>	<u>92,311</u>	<u>88,353</u>	<u>3,958</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(49,298)</u>	<u>(59,514)</u>	<u>(55,556)</u>	<u>3,958</u>
Other Financing Sources (Uses)				
Advances In	6,905	11,129	11,129	0
Advances Out	(96)	(96)	(96)	0
Total Other Financing Sources (Uses)	<u>6,809</u>	<u>11,033</u>	<u>11,033</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(42,489)	(48,481)	(44,523)	3,958
<i>Fund Balance Beginning of Year</i>	5,991	5,991	5,991	0
Prior Year Encumbrances Appropriated	42,490	42,490	42,490	0
<i>Fund Balance End of Year</i>	<u>\$5,992</u>	<u>\$0</u>	<u>\$3,958</u>	<u>\$3,958</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$51,064	\$76,670	\$76,670	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	14,312	21,179	21,179	0
Fringe Benefits	1,342	1,986	1,986	0
Purchased Services	50,756	75,107	75,107	0
Total Instruction	66,410	98,272	98,272	0
Support Services:				
Instructional Staff:				
Purchased Services	5,760	8,523	8,523	0
<i>Total Expenditures</i>	72,170	106,795	106,795	0
<i>Excess of Revenues Under Expenditures</i>	(21,106)	(30,125)	(30,125)	0
Other Financing Sources (Uses)				
Advances In	13,936	20,924	20,924	0
Advances Out	(36,983)	(54,726)	(54,726)	0
<i>Total Other Financing Sources (Uses)</i>	(23,047)	(33,802)	(33,802)	0
<i>Net Change in Fund Balance</i>	(44,153)	(63,927)	(63,927)	0
<i>Fund Balance Beginning of Year</i>	24,774	24,774	24,774	0
Prior Year Encumbrances Appropriated	39,153	39,153	39,153	0
<i>Fund Balance End of Year</i>	<u>\$19,774</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Enhancement Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$19,650	\$24,259	\$24,259	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	2,108	3,953	3,953	0
Support Services:				
Instructional Staff:				
Purchased Services	6,598	12,375	12,375	0
<i>Total Expenditures</i>	8,706	16,328	16,328	0
<i>Excess of Revenues Over Expenditures</i>	10,944	7,931	7,931	0
Other Financing Sources (Uses)				
Advances Out	(4,459)	(8,363)	(8,363)	0
Transfers In	350	432	432	0
<i>Total Other Financing Sources (Uses)</i>	(4,109)	(7,931)	(7,931)	0
<i>Net Change in Fund Balance</i>	6,835	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$6,835</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$15,000	\$3,773	\$3,773	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	13,800	3,773	3,773	0
<i>Net Change in Fund Balance</i>	1,200	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$1,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Other	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9)	(9)	(9)	0
<i>Fund Balance Beginning of Year</i>	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$409,304	\$706,761	\$706,761	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	44,319	99,660	72,356	27,304
Fringe Benefits	9,955	22,385	17,434	4,951
Purchased Services	188,320	423,471	418,795	4,676
Materials and Supplies	14,768	33,208	32,937	271
Capital Outlay - New	28,906	65,000	65,000	0
Total Special	286,268	643,724	606,522	37,202
Vocational:				
Salaries and Wages	23,490	52,822	42,635	10,187
Fringe Benefits	9,770	21,969	18,516	3,453
Total Vocational	33,260	74,791	61,151	13,640
Total Instruction	319,528	718,515	667,673	50,842
Support Services:				
Pupil:				
Salaries and Wages	3,113	7,000	7,000	0
Fringe Benefits	3,466	7,793	5,584	2,209
Purchased Services	3,054	6,868	6,868	0
Materials and Supplies	116	260	257	3
Total Pupil	9,749	21,921	19,709	2,212
Instructional Staff:				
Salaries and Wages	445	1,000	246	754
Fringe Benefits	111	250	21	229
Purchased Services	889	2,000	2,000	0
Total Instructional Staff	\$1,445	\$3,250	\$2,267	\$983

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administration:				
Salaries and Wages	\$49,652	\$111,651	\$74,379	\$37,272
Fringe Benefits	15,956	35,881	31,061	4,820
Total Administration	<u>65,608</u>	<u>147,532</u>	<u>105,440</u>	<u>42,092</u>
Total Support Services	<u>76,802</u>	<u>172,703</u>	<u>127,416</u>	<u>45,287</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>8,583</u>	<u>19,301</u>	<u>19,301</u>	<u>0</u>
<i>Total Expenditures</i>	<u>404,913</u>	<u>910,519</u>	<u>814,390</u>	<u>96,129</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,391</u>	<u>(203,758)</u>	<u>(107,629)</u>	<u>96,129</u>
Other Financing Sources (Uses)				
Advances In	88,736	176,451	176,451	0
Advances Out	<u>(96,764)</u>	<u>(257,499)</u>	<u>(257,499)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(8,028)</u>	<u>(81,048)</u>	<u>(81,048)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,637)	(284,806)	(188,677)	96,129
<i>Fund Balance Beginning of Year</i>	264,169	264,169	264,169	0
Prior Year Encumbrances Appropriated	<u>20,637</u>	<u>20,637</u>	<u>20,637</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$281,169</u>	<u>\$0</u>	<u>\$96,129</u>	<u>\$96,129</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$160,663	\$212,373	\$212,373	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	19,154	32,707	32,584	123
Capital Outlay - New	17,001	29,031	29,031	0
Other	36,429	62,204	57,130	5,074
Total Instruction	72,584	123,942	118,745	5,197
Support Services:				
Pupil:				
Purchased Services	3,689	6,300	6,300	0
Materials and Supplies	5,906	10,085	10,085	0
Capital Outlay - New	3,282	5,605	3,636	1,969
Total Pupil	12,877	21,990	20,021	1,969
Instructional Staff:				
Purchased Services	8,151	13,920	13,873	47
Other	4,510	7,700	7,308	392
Total Instructional Staff	12,661	21,620	21,181	439
Administration:				
Materials and Supplies	1,964	3,354	3,354	0
Capital Outlay - New	511	872	872	0
Total Administration	2,475	4,226	4,226	0
Central:				
Purchased Services	646	1,100	1,100	0
Other	1,815	3,100	1,899	1,201
Total Central	2,461	4,200	2,999	1,201
Total Support Services	30,474	52,036	48,427	3,609
<i>Total Expenditures</i>	<u>\$103,058</u>	<u>\$175,978</u>	<u>\$167,172</u>	<u>\$8,806</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	<u>\$57,605</u>	<u>\$36,395</u>	<u>\$45,201</u>	<u>\$8,806</u>
Other Financing Sources (Uses)				
Advances In	39,337	51,998	51,998	0
Advances Out	<u>(64,473)</u>	<u>(110,092)</u>	<u>(110,092)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(25,136)</u>	<u>(58,094)</u>	<u>(58,094)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	32,469	(21,699)	(12,893)	8,806
<i>Fund Balance Beginning of Year</i>	11,167	11,167	11,167	0
Prior Year Encumbrances Appropriated	<u>10,532</u>	<u>10,532</u>	<u>10,532</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,168</u></u>	<u><u>\$0</u></u>	<u><u>\$8,806</u></u>	<u><u>\$8,806</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,000	\$4,107	\$4,107	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>5,000</u>	<u>4,107</u>	<u>4,107</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$338,243	\$534,388	\$534,388	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,828	3,360	1,200	2,160
Fringe Benefits	235	431	183	248
Purchased Services	52,712	96,875	96,875	0
Materials and Supplies	8,773	16,123	15,155	968
Total Regular	63,548	116,789	113,413	3,376
Special:				
Salaries and Wages	171,241	314,708	252,538	62,170
Fringe Benefits	44,939	82,590	69,823	12,767
Materials and Supplies	272	500	0	500
Capital Outlay - New	70,929	130,352	129,595	757
Total Special	287,381	528,150	451,956	76,194
Total Instruction	350,929	644,939	565,369	79,570
Support Services:				
Instructional Staff:				
Salaries and Wages	4,184	7,690	2,406	5,284
Fringe Benefits	669	1,230	516	714
Purchased Services	21,919	40,282	34,896	5,386
Total Support Services	26,772	49,202	37,818	11,384
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	14,693	27,003	10,400	16,603
Fringe Benefits	2,340	4,300	1,641	2,659
Purchased Services	7,746	14,236	12,060	2,176
Materials and Supplies	1,596	2,934	2,753	181
Total Operation of Non-Instructional Services	\$26,375	\$48,473	\$26,854	\$21,619

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Total Expenditures</i>	\$404,076	\$742,614	\$630,041	\$112,573
<i>Excess of Revenues Under Expenditures</i>	(65,833)	(208,226)	(95,653)	112,573
Other Financing Sources (Uses)				
Advances In	55,980	149,778	149,778	0
Advances Out	(8,003)	(103,322)	(103,322)	0
Transfers In	7	10	10	0
<i>Total Other Financing Sources (Uses)</i>	47,984	46,466	46,466	0
<i>Net Change in Fund Balance</i>	(17,849)	(161,760)	(49,187)	112,573
<i>Fund Balance Beginning of Year</i>	127,912	127,912	127,912	0
Prior Year Encumbrances Appropriated	33,848	33,848	33,848	0
<i>Fund Balance End of Year</i>	<u>\$143,911</u>	<u>\$0</u>	<u>\$112,573</u>	<u>\$112,573</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$12,695	\$15,849	\$15,849	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,557	9,000	3,747	5,253
Fringe Benefits	873	1,414	1,290	124
Purchased Services	8,954	14,500	14,500	0
Materials and Supplies	1,381	2,236	0	2,236
Total Instruction	16,765	27,150	19,537	7,613
Support Services:				
Instructional Staff:				
Salaries and Wages	3,560	5,765	0	5,765
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,015	1,644	1,140	504
Materials and Supplies	2,180	3,531	3,405	126
Total Operation of Non-Instructional Services	3,195	5,175	4,545	630
<i>Total Expenditures</i>	23,520	38,090	24,082	14,008
<i>Excess of Revenues Under Expenditures</i>	(10,825)	(22,241)	(8,233)	14,008
Other Financing Sources (Uses)				
Advances In	14,305	17,859	17,859	0
Advances Out	(8,339)	(13,504)	(13,504)	0
Total Other Financing Sources (Uses)	5,966	4,355	4,355	0
<i>Net Change in Fund Balance</i>	(4,859)	(17,886)	(3,878)	14,008
<i>Fund Balance Beginning of Year</i>	13,027	13,027	13,027	0
Prior Year Encumbrances Appropriated	4,859	4,859	4,859	0
<i>Fund Balance End of Year</i>	\$13,027	\$0	\$14,008	\$14,008

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,137	\$9,354	\$9,354	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,558	4,834	3,660	1,174
Fringe Benefits	445	842	143	699
Purchased Services	2,910	5,500	3,775	1,725
Materials and Supplies	2,487	4,700	3,672	1,028
Total Instruction	8,400	15,876	11,250	4,626
Support Services:				
Instructional Staff:				
Salaries and Wages	265	500	392	108
Fringe Benefits	24	45	18	27
Purchased Services	989	1,869	469	1,400
Materials and Supplies	220	415	394	21
Total Instructional Staff	1,498	2,829	1,273	1,556
Operation and Maintenance of Plant:				
Capital Outlay - New	1,417	2,681	2,247	434
Total Support Services	2,915	5,510	3,520	1,990
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	20	39	35	4
<i>Total Expenditures</i>	11,335	21,425	14,805	6,620
<i>Excess of Revenues Under Expenditures</i>	(4,198)	(12,071)	(5,451)	6,620
Other Financing Sources (Uses)				
Advances In	7,863	10,305	10,305	0
Advances Out	(3,734)	(7,057)	(7,057)	0
Total Other Financing Sources (Uses)	4,129	3,248	3,248	0
<i>Net Change in Fund Balance</i>	(69)	(8,823)	(2,203)	6,620
<i>Fund Balance Beginning of Year</i>	8,754	8,754	8,754	0
Prior Year Encumbrances Appropriated	69	69	69	0
<i>Fund Balance End of Year</i>	\$8,754	\$0	\$6,620	\$6,620

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$20,283	\$28,651	\$28,651	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	9,241	13,053	13,053	0
Support Services:				
Instructional Staff:				
Salaries and Wages	14,295	20,193	16,482	3,711
Fringe Benefits	6,555	9,260	6,822	2,438
Total Support Services	20,850	29,453	23,304	6,149
<i>Total Expenditures</i>	30,091	42,506	36,357	6,149
<i>Excess of Revenues Under Expenditures</i>	(9,808)	(13,855)	(7,706)	6,149
Other Financing Sources				
Advances In	9,808	13,855	13,855	0
<i>Net Change in Fund Balance</i>	0	0	6,149	6,149
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$6,149</u>	<u>\$6,149</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$116,021	\$135,577	\$135,577	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	86,115	119,349	100,454	18,895
Fringe Benefits	25,935	35,944	30,003	5,941
Total Instruction	112,050	155,293	130,457	24,836
Support Services:				
Instructional Staff:				
Salaries and Wages	4,427	6,135	6,135	0
Fringe Benefits	669	927	927	0
Purchased Services	9,984	13,837	13,809	28
Materials and Supplies	698	968	968	0
Total Support Services	15,778	21,867	21,839	28
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,250	3,119	2,646	473
<i>Total Expenditures</i>	130,078	180,279	154,942	25,337
<i>Excess of Revenues Under Expenditures</i>	(14,057)	(44,702)	(19,365)	25,337
Other Financing Sources (Uses)				
Advances In	24,866	29,919	29,919	0
Advances Out	(15,099)	(22,899)	(22,899)	0
<i>Total Other Financing Sources (Uses)</i>	9,767	7,020	7,020	0
<i>Net Change in Fund Balance</i>	(4,290)	(37,682)	(12,345)	25,337
<i>Fund Balance Beginning of Year</i>	33,392	33,392	33,392	0
Prior Year Encumbrances Appropriated	4,290	4,290	4,290	0
<i>Fund Balance End of Year</i>	\$33,392	\$0	\$25,337	\$25,337

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,111	\$5,131	\$5,131	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	3,926	7,541	4,287	3,254
Support Services:				
Instructional Staff:				
Purchased Services	3,904	7,500	7,500	0
Materials and Supplies	454	872	872	0
Total Support Services	4,358	8,372	8,372	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	801	1,539	1,513	26
Materials and Supplies	247	474	436	38
Total Operation of Non-Instructional Services	1,048	2,013	1,949	64
<i>Total Expenditures</i>	9,332	17,926	14,608	3,318
<i>Excess of Revenues Under Expenditures</i>	(6,221)	(12,795)	(9,477)	3,318
Other Financing Sources (Uses)				
Advances In	6,889	11,362	11,362	0
Advances Out	(4,539)	(8,719)	(8,719)	0
<i>Total Other Financing Sources (Uses)</i>	2,350	2,643	2,643	0
<i>Net Change in Fund Balance</i>	(3,871)	(10,152)	(6,834)	3,318
<i>Fund Balance Beginning of Year</i>	10,105	10,105	10,105	0
Prior Year Encumbrances Appropriated	47	47	47	0
<i>Fund Balance End of Year</i>	\$6,281	\$0	\$3,318	\$3,318

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$1,131,548	\$1,116,218	\$1,154,206	\$37,988
Miscellaneous	114,264	112,716	112,715	(1)
<i>Total Revenues</i>	<u>1,245,812</u>	<u>1,228,934</u>	<u>1,266,921</u>	<u>37,987</u>
Expenditures				
Debt Service:				
Principal Retirement	835,000	835,000	835,000	0
Interest and Fiscal Charges	339,375	339,375	339,375	0
<i>Total Expenditures</i>	<u>1,174,375</u>	<u>1,174,375</u>	<u>1,174,375</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	71,437	54,559	92,546	37,987
<i>Fund Balance Beginning of Year</i>	<u>1,458,394</u>	<u>1,458,394</u>	<u>1,458,394</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,529,831</u></u>	<u><u>\$1,512,953</u></u>	<u><u>\$1,550,940</u></u>	<u><u>\$37,987</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$465,637	\$558,142	\$583,810	\$25,668
Intergovernmental	56,730	68,000	68,150	150
<i>Total Revenues</i>	<u>522,367</u>	<u>626,142</u>	<u>651,960</u>	<u>25,818</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	247,451	311,008	311,008	0
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	4,817	6,054	6,054	0
Architectre and Engineering Services				
Purchased Services	28,775	36,166	36,166	0
Total Capital Outlay	<u>33,592</u>	<u>42,220</u>	<u>42,220</u>	<u>0</u>
<i>Total Expenditures</i>	<u>281,043</u>	<u>353,228</u>	<u>353,228</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>241,324</u>	<u>272,914</u>	<u>298,732</u>	<u>25,818</u>
Other Financing Sources (Uses)				
Advances In	75,561	90,572	90,572	0
Advances Out	(398,957)	(501,429)	(501,429)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(323,396)</u>	<u>(410,857)</u>	<u>(410,857)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(82,072)	(137,943)	(112,125)	25,818
<i>Fund Balance Beginning of Year</i>	<u>137,943</u>	<u>137,943</u>	<u>137,943</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,871</u></u>	<u><u>\$0</u></u>	<u><u>\$25,818</u></u>	<u><u>\$25,818</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$8,000	\$8,990	\$8,990	\$0
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	<u>63,765</u>	<u>62,265</u>	<u>62,265</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(55,765)	(53,275)	(53,275)	0
<i>Fund Balance Beginning of Year</i>	2,017	2,017	2,017	0
Prior Year Encumbrances Appropriated	<u>62,265</u>	<u>62,265</u>	<u>62,265</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,517</u></u>	<u><u>\$11,007</u></u>	<u><u>\$11,007</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Replacement Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$170,000	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Pupil Transportation				
Capital Outlay - New	<u>25,000</u>	<u>29,652</u>	<u>29,652</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	145,000	(29,652)	(29,652)	0
<i>Fund Balance Beginning of Year</i>	<u>180,496</u>	<u>180,496</u>	<u>180,496</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$325,496</u></u>	<u><u>\$150,844</u></u>	<u><u>\$150,844</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Equipment Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	24,392	24,392	4,733	19,659
<i>Excess of Revenues Under Expenditures</i>	(24,392)	(24,392)	(4,733)	19,659
Other Financing Sources				
Advances In	13,000	12,763	12,763	0
<i>Net Change in Fund Balance</i>	(11,392)	(11,629)	8,030	19,659
<i>Fund Balance Beginning of Year</i>	10,237	10,237	10,237	0
Prior Year Encumbrances Appropriated	1,392	1,392	1,392	0
<i>Fund Balance End of Year</i>	\$237	\$0	\$19,659	\$19,659

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$50,000	\$35,910	\$35,910	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	<u>35,910</u>	<u>35,910</u>	<u>35,846</u>	<u>64</u>
<i>Net Change in Fund Balance</i>	14,090	0	64	64
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,090</u></u>	<u><u>\$0</u></u>	<u><u>\$64</u></u>	<u><u>\$64</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,100,000	\$1,273,739	\$1,273,739	\$0
Expenses				
Purchased Services	210,000	240,387	240,387	0
Claims	790,000	904,312	904,312	0
<i>Total Expenses</i>	<u>1,000,000</u>	<u>1,144,699</u>	<u>1,144,699</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	100,000	129,040	129,040	0
<i>Fund Equity Beginning of Year</i>	<u>1,163,547</u>	<u>1,163,547</u>	<u>1,163,547</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,263,547</u></u>	<u><u>\$1,292,587</u></u>	<u><u>\$1,292,587</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Computer Network Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	0	0	0	0
<i>Fund Equity Beginning of Year</i>	<u>578</u>	<u>578</u>	<u>578</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$578</u></u>	<u><u>\$578</u></u>	<u><u>\$578</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$980	\$980	\$7,180	\$6,200
Expenses				
Other	600	1,200	1,200	0
<i>Net Change in Fund Equity</i>	380	(220)	5,980	6,200
<i>Fund Equity Beginning of Year</i>	49,026	49,026	49,026	0
<i>Fund Equity End of Year</i>	<u>\$49,406</u>	<u>\$48,806</u>	<u>\$55,006</u>	<u>\$6,200</u>

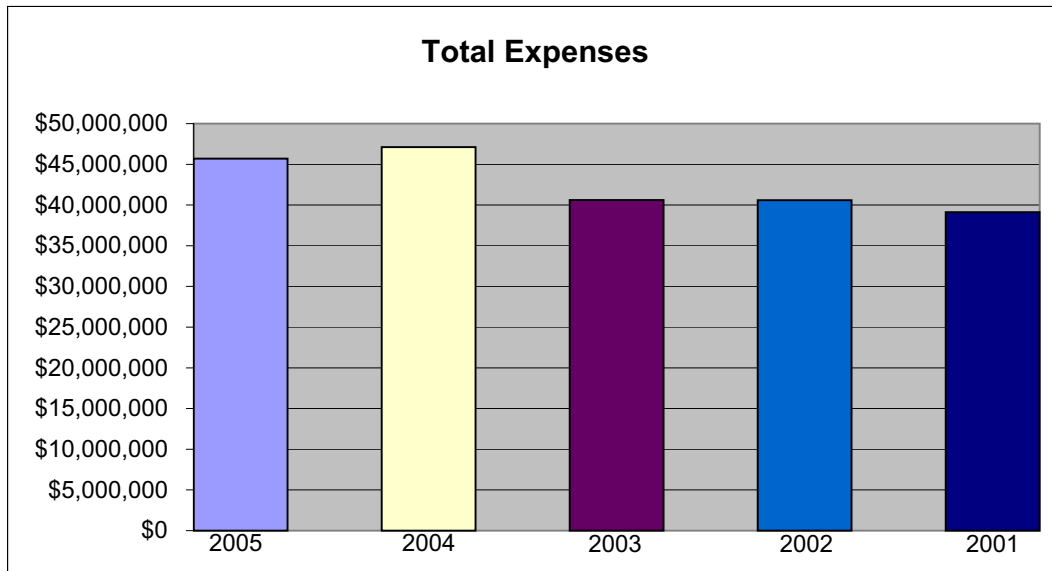
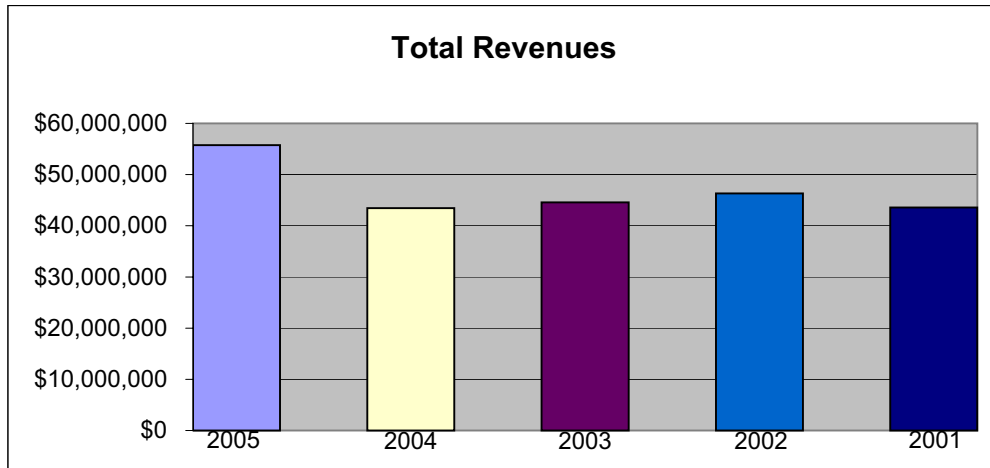
STATISTICAL SECTION

The following statistical tables reflect various social and economic data, financial trends and the fiscal capacity of the School District.

Bedford City School District
*Governmental Activities Revenues by Source
and Expenses by Function - Full Accrual Basis
Last Five Fiscal Years*

	2005	2004	2003	2002	2001
Program Revenues					
Charges for Services	\$1,271,382	\$2,221,988	\$1,205,728	\$1,872,006	\$1,543,032
Operating Grants and Contributions	3,604,228	2,964,340	2,742,195	2,419,375	2,165,889
Capital Grants and Contributions	35,910	0	109,537	50,514	211,151
General Revenues and Transfers					
Taxes	41,213,020	30,192,248	31,493,245	34,544,853	32,162,026
Payment in Lieu of Taxes	0	0	0	21,613	41,975
Intergovernmental	9,140,806	7,747,756	8,634,340	6,685,643	6,216,092
Interest	325,033	174,106	239,106	377,677	732,915
Miscellaneous	170,909	146,944	125,231	291,104	235,536
Gain on Sale of Capital Assets	0	0	0	50,753	247,800
Transfers	0	0	23,663	0	0
Total	\$55,761,288	\$43,447,382	\$44,573,045	\$46,313,538	\$43,556,416
Expenses					
Instruction	\$23,435,942	\$23,153,227	\$19,716,538	\$19,485,279	\$18,893,342
Support Services:					
Pupil	2,665,621	2,721,877	2,444,186	2,504,145	2,193,048
Instructional Staff	1,586,546	1,620,852	1,452,726	1,636,335	1,505,981
Board of Education	207,937	59,311	164,324	147,718	184,482
Administration	3,204,240	3,565,984	2,791,248	2,660,475	2,554,588
Fiscal	1,249,303	1,290,723	1,457,382	1,211,620	995,828
Business	555,487	402,210	477,013	411,748	357,096
Operation and Maintenance of Plant	5,865,329	6,772,564	5,596,383	6,335,607	6,062,780
Pupil Transportation	3,372,082	3,914,942	3,227,782	2,860,873	2,696,148
Central	291,782	306,326	261,748	241,112	282,074
Operation of Non-Instructional Services:					
Food Service Operations	1,312,760	1,362,041	1,335,836	1,214,859	1,215,952
Other Non-Instructional Services	514,115	502,320	573,662	649,054	905,122
Extracurricular Activities	916,721	915,504	593,241	835,766	569,058
Interest and Fiscal Charges	514,430	531,995	526,618	404,297	702,849
Total	\$45,692,295	\$47,119,876	\$40,618,687	\$40,598,888	\$39,118,348

Source: School District Financial Records

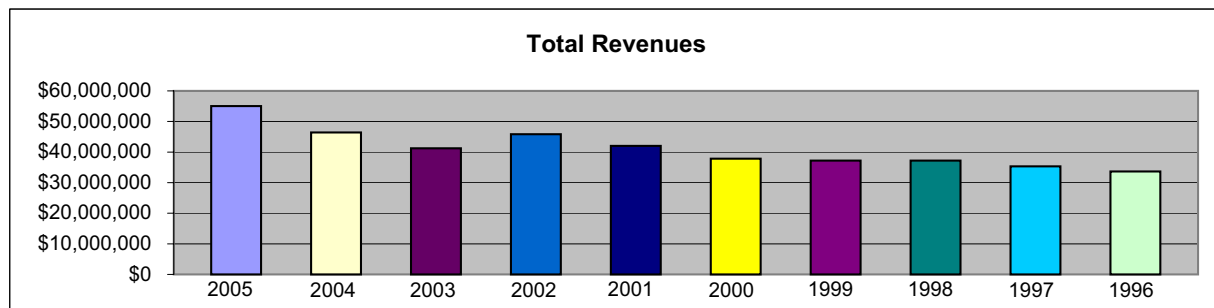


Bedford City School District
Governmental Revenues by Source
and Expenditures by Function
Last Ten Fiscal Years

	2005 (1)	2004 (1)	2003 (1)	2002 (1)
Revenues				
Taxes	\$40,829,981	\$32,961,433	\$28,568,195	\$34,566,466
Intergovernmental	12,105,042	10,859,955	11,064,263	9,186,016
Interest	325,033	174,106	239,106	379,978
Charges for Services	765,852	797,804	767,185	867,184
Tuition and Fees	257,961	1,156,288	209,354	153,406
Rentals	32,230	39,324	51,113	51,911
Extracurricular Activities	215,339	228,572	178,076	271,316
Contributions and Donations	349,198	50,192	59,816	0
Miscellaneous	170,909	146,944	125,231	374,721
Total	\$55,051,545	\$46,414,618	\$41,262,339	\$45,850,998
Expenditures				
Current:				
Instruction	\$23,048,542	\$22,335,604	\$20,160,367	\$19,732,418
Support Services:				
Pupil	2,711,466	2,691,337	2,587,565	2,493,276
Instructional Staff	1,715,964	1,603,092	1,596,091	1,634,091
Board of Education	208,201	264,211	174,001	147,718
Administration	3,279,005	3,453,470	2,904,410	2,655,897
Fiscal	1,291,119	1,295,384	1,450,531	1,218,995
Business	576,563	491,350	420,750	395,226
Operation and Maintenance of Plant	5,980,389	6,612,776	5,703,847	6,386,456
Pupil Transportation	3,296,585	3,648,846	3,008,535	3,271,744
Central	298,512	281,725	253,416	234,295
Operation of Non-Instructional Services:				
Food Service Operations	1,414,479	1,314,097	1,353,409	1,206,604
Other Non-Instructional Services	485,150	460,734	543,327	520,883
Extracurricular Activities	654,996	648,879	626,835	570,268
Capital Outlay	188,204	2,356,466	1,343,445	15,949
Debt Service	1,541,865	1,407,814	1,362,208	1,288,930
Total	\$46,691,040	\$48,865,785	\$43,488,737	\$41,772,750

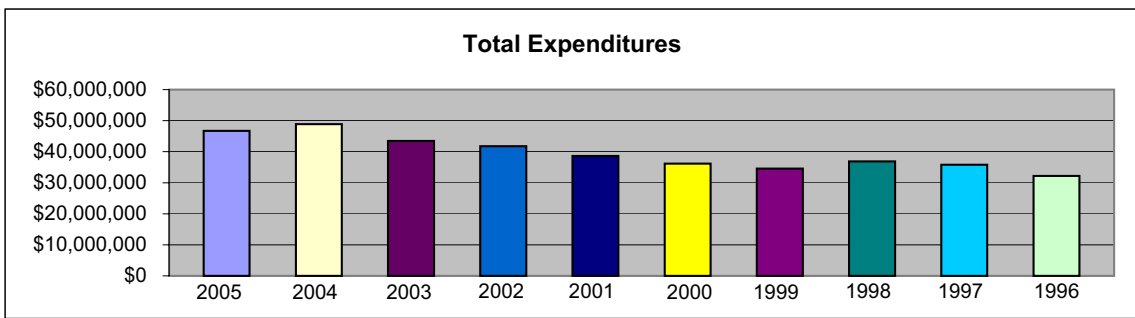
Source: School District Financial Records

(1) Fiscal years 2005 through 2002 include funds previously reported as enterprise funds.



2001	2000	1999	1998	1997	1996
\$32,204,001	\$28,332,126	\$28,360,641	\$28,009,547	\$28,050,790	\$26,099,983
8,165,161	7,895,103	7,739,499	7,574,956	6,431,250	6,608,674
773,562	528,651	426,787	482,063	496,937	448,473
0	0	0	0	0	0
125,229	249,045	89,245	92	2,370	714
0	0	0	0	0	0
166,285	148,635	143,243	163,428	152,215	105,023
0	0	0	0	0	0
600,092	673,701	441,532	994,621	206,955	386,280
<u>\$42,034,330</u>	<u>\$37,827,261</u>	<u>\$37,200,947</u>	<u>\$37,224,707</u>	<u>\$35,340,517</u>	<u>\$33,649,147</u>

\$19,305,667	\$18,429,224	\$18,678,546	\$18,298,923	\$17,673,431	\$15,703,033
2,178,366	2,037,451	220,545	2,216,485	1,800,680	1,625,183
1,517,140	1,257,482	1,418,112	1,488,894	1,467,072	1,071,721
184,482	277,402	238,036	189,634	92,548	198,301
2,549,537	2,483,284	2,581,044	2,575,316	2,270,019	2,025,590
992,467	1,141,137	1,040,304	1,006,996	841,393	870,565
330,128	349,599	320,302	349,725	595,680	321,652
5,982,969	5,076,352	5,081,737	5,430,177	5,887,984	5,396,949
2,820,794	2,426,571	2,343,340	2,425,413	2,442,491	1,923,646
204,128	188,711	197,415	271,693	176,742	162,139
0	0	0	0	0	0
537,787	434,129	452,998	474,206	471,628	371,100
568,549	579,345	527,393	533,195	479,496	389,051
8,850	43,643	30,684	255,918	247,578	819,696
1,452,849	1,427,011	1,402,421	1,384,362	1,338,061	1,329,150
<u>\$38,633,713</u>	<u>\$36,151,341</u>	<u>\$34,532,877</u>	<u>\$36,900,937</u>	<u>\$35,784,803</u>	<u>\$32,207,776</u>



Bedford City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2005	\$646,128,990	\$1,846,082,829	\$37,778,070	\$42,929,625
2004	647,753,420	1,850,724,057	38,882,620	44,184,795
2003	602,594,640	1,721,698,971	38,787,420	44,076,614
2002	587,344,730	1,678,127,800	41,718,240	47,407,091
2001	582,510,700	1,664,316,286	51,899,041	58,976,183
2000	512,354,242	1,463,869,263	53,750,330	61,079,920
1999	508,628,070	1,453,223,057	57,620,420	65,477,750
1998	500,692,510	1,430,550,000	58,651,190	66,649,100
1997	462,475,340	1,321,358,114	60,347,010	68,576,148
1996	463,433,170	1,324,094,771	61,033,350	69,356,080

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility personal is assessed at various percentages of actual value.

Capital assets for tangible personal property is assessed at twenty-five percent of actual value.

Inventory for tangible personal property is assessed at twenty-three percent of actual value.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$171,667,792	\$746,381,704	\$855,574,852	\$2,635,394,158	32.46 %
163,953,315	712,840,500	850,589,355	2,607,749,352	32.62
165,250,542	688,543,925	806,632,602	2,454,319,510	32.87
176,119,963	733,833,179	805,182,933	2,459,368,070	32.74
171,559,370	714,830,708	805,969,111	2,438,123,177	33.06
163,417,945	680,908,104	729,522,517	2,205,857,287	33.07
162,002,170	675,009,042	728,250,660	2,193,709,849	33.20
168,251,180	673,004,700	727,594,880	2,170,203,800	33.54
175,425,395	701,701,580	698,247,745	2,091,635,842	33.38
163,125,326	652,501,304	687,591,846	2,045,952,155	33.61

Bedford City School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Ten Years

Year (2)	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Total Tax Levy
2004	\$34,910,147	\$3,953,723	\$38,863,870	\$33,137,146	85.26 %
2003	33,913,009	2,589,071	36,502,080	31,967,962	87.58
2002	34,024,245	3,500,700	37,524,945	31,964,580	85.18
2001	34,608,563	1,741,814	36,350,377	32,642,761	89.80
2000	34,019,081	1,732,109	35,751,190	32,225,384	90.14
1999	30,031,043	2,115,625	32,146,668	28,714,883	89.32
1998	29,930,844	1,771,468	31,702,312	28,289,144	89.23
1997	29,985,540	1,970,692	31,956,232	28,571,049	89.41
1996	30,037,572	1,874,069	31,911,641	29,285,617	91.77
1995	26,359,127	3,108,884	29,468,011	25,592,605	86.85

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2005 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
\$4,226,193	\$37,363,339	96.14 %
986,961	32,954,923	90.28
1,920,631	33,885,211	90.30
1,894,258	34,537,019	95.01
762,654	32,988,038	92.27
1,314,860	30,029,743	93.41
1,229,508	29,518,652	93.11
1,554,914	30,125,963	94.27
588,670	29,874,287	93.62
1,427,734	27,020,339	91.69

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

Year	School Levy	Library	County Levy	Bedford City	Bedford Heights City	Oakwood Village	Walton Hills Village
2005	\$67.40	\$2.00	\$13.52	\$12.80	\$13.00	\$3.80	\$0.30
2004	62.50	1.40	13.52	12.80	13.00	3.80	0.30
2003	62.50	1.40	16.20	12.80	13.00	3.80	0.30
2002	62.50	1.40	16.20	12.80	12.00	3.80	0.30
2001	62.60	1.40	16.20	12.80	12.00	3.80	0.30
2000	62.60	1.40	15.30	12.80	12.00	3.80	0.30
1999	57.70	1.40	15.30	12.58	12.00	3.80	0.30
1998	57.60	1.40	16.60	12.80	12.00	3.80	0.30
1997	57.60	1.40	16.60	12.80	12.00	3.80	0.30
1996	57.60	1.40	16.60	12.80	12.00	3.80	0.30

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Debt Service Included in Total Levy				
School Levy	County Levy	Bedford Heights City	Oakwood Village	Total
\$1.48	\$0.88	\$1.70	\$0.40	\$4.46
1.48	0.91	1.70	0.60	4.69
1.48	0.91	1.70	0.60	4.69
1.48	0.86	1.70	0.60	4.64
1.48	0.79	1.70	0.60	4.57
1.58	0.85	1.70	0.60	4.73
1.58	0.72	1.70	0.50	4.50
1.48	0.60	1.70	0.50	4.28
1.48	0.90	1.70	0.50	4.58
1.48	0.87	2.00	1.16	5.51

Bedford City School District
*Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years*

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2005	\$6,377,293	\$855,574,852	31,656	0.75 %	\$201.46
2004	6,903,972	850,589,355	31,656	0.81	218.09
2003	8,559,235	806,632,602	31,656	1.06	270.38
2002	9,440,541	805,182,933	31,656	1.17	298.22
2001	10,590,564	805,969,111	31,656	1.31	334.55
2000	11,425,430	729,522,517	32,716	1.57	349.23
1999	12,122,651	728,250,660	32,716	1.66	370.54
1998	12,825,871	727,594,880	32,716	1.76	392.04
1997	13,443,392	698,247,745	32,716	1.93	410.91
1996	13,422,038	687,591,846	32,716	1.95	410.26

Sources:

- (1) Includes all General Obligation bonded debt; School District Financial Records
- (2) Cuyahoga County Auditor
- (3) U.S. Census of Population (estimated), 2000 Federal Census and 1990 Federal Census

Bedford City School District
Computation of Legal Debt Margin
June 30, 2005

Assessed Valuation		<u><u>\$855,574,852</u></u>
Overall Debt Limit - 9% of Assessed Value (1)		\$77,001,737
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds		
Serial Library and Facilities Refunding Bonds	7,500,000	
Facilities Acquisition	165,000	
Capital Appreciation Bonds	536,300	
Energy Conservation Bonds	80,000	
Maintenance Facility Loan	506,000	
Amount Available in Debt Service Fund	<u>1,904,007</u>	
Total Outstanding Debt	<u>10,691,307</u>	
Less: Exemptions		
Energy Conservation Bonds	<u>(80,000)</u>	
Amount of Debt Applicable to Debt Limit		<u>10,611,307</u>
Overall Debt Margin		<u><u>\$66,390,430</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$855,575
Amount of Debt Applicable		<u>(245,000)</u>
Unvoted Debt Margin		<u><u>\$610,575</u></u>
Additional Limit for Unvoted Energy Conservation Bonds:		
Debt Limit - .10% of Assessed Valuation		\$855,575
Amount of Debt Applicable		<u>(80,000)</u>
Additional Unvoted Debt Margin		<u><u>\$775,575</u></u>

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for all debt and 1/10 of 1% for unvoted debt.

Bedford City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2004

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Bedford City School District	\$8,281,300	100.00%	\$8,281,300
Overlapping:			
Cuyahoga County	251,154,636	2.79	7,007,214
Regional Transit Authority	147,025,000	2.79	4,101,998
City of Bedford	14,240,000	34.10	4,855,840
Bedford City School District	8,697,300	100.00	8,697,300
City of Bedford Heights	7,852,000	30.97	2,431,764
Village of Oakwood	5,660,000	14.32	810,512
Total Overlapping	434,628,936		27,904,628
Total	\$442,910,236		\$36,185,928

Source: Respective Political Subdivision

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2004 collection year.

Bedford City School District
Ratio of Annual Debt Service Expenditures For
General Obligation Bonded Debt to Governmental Expenditures
Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures		Ratio of Debt Service to Governmental Expenditures (Percentage)
2005	\$925,000	\$356,054	\$1,281,054	\$46,691,040	(1)	2.74 %
2004	885,000	391,670	1,276,670	48,865,785	(1)	2.61
2003	940,000	422,208	1,362,208	43,488,737	(1)	3.13
2002	820,000	465,930	1,285,930	41,772,750	(1)	3.08
2001	750,000	702,849	1,452,849	38,633,713		3.76
2000	690,000	737,011	1,427,011	36,151,341		3.95
1999	635,000	767,421	1,402,421	34,532,877		4.06
1998	590,000	794,362	1,384,362	36,900,937		3.75
1997	510,000	828,061	1,338,061	35,784,803		3.74
1996	520,000	809,150	1,329,150	32,207,776		4.13

Source: School District Financial Records

(1) Fiscal Years 2005 through 2002 include funds previously reported as enterprise funds.

Bedford City School District

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population (1)	Bedford City Population (2)	Bedford Heights City Population (2)	Oakwood Village Population (2)	Walton Hills Village Population (2)	School Enrollment (3)	Unemployment Rate (4)
2005	1,393,978	14,214	11,375	3,648	2,392	3,840	6.60 %
2004	1,351,009	14,214	11,375	2,400	3,667	3,892	6.70
2003	1,363,888	14,214	11,375	2,400	3,667	3,637	6.70
2002	1,379,049	14,214	11,375	2,400	3,667	3,730	6.70
2001	1,380,421	14,214	11,375	2,400	3,667	3,844	4.50
2000	1,393,978	14,822	12,131	2,371	3,392	3,867	4.50
1999	1,371,717	14,822	12,131	2,371	3,392	3,888	4.60
1998	1,380,696	14,822	12,131	2,371	3,392	3,873	4.40
1997	1,386,803	14,822	12,131	2,371	3,392	4,004	5.80
1996	1,401,552	14,822	12,131	2,371	3,392	3,977	5.20

- Sources: (1) Cleveland Plain Dealer Newspaper
- (2) U.S. Census of Population (estimated), 1990 Federal Census,
2000 Federal Census
- (3) School District Financial Records
- (4) State Department of Labor - Cuyahoga County

Bedford City School District
Property Value, Financial Institution Deposits and Building Permits
Last Ten Years

Year	Property Value (Real Estate Only) (2)	Financial Institution Deposits Banks (1)	Value of Building Permits Issued
2004	\$646,128,990	\$101,838,959	\$34,159,629
2003	647,753,420	97,238,973	10,967,532
2002	602,594,640	95,761,917	11,638,796
2001	587,344,730	63,893,769	28,924,713
2000	582,510,700	61,942,764	33,825,655
1999	512,354,242	57,816,942	26,575,569
1998	508,628,070	58,904,596	21,253,396
1997	500,692,510	53,941,971	9,623,626
1996	462,475,340	27,068,211	9,715,925
1995	463,433,170	22,458,573	14,760,742

Sources: (1) Federal Reserve Bank of Cleveland, Ohio
(2) Represents assessed value.

Bedford City School District

Principal Taxpayers

Real Estate Tax

December 31, 2004

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Real Estate Tax Assessed Value</u>
Ford Motor Company	\$9,269,400	1.43 %
Ben Venue Laboratories, Inc.	8,048,050	1.25
Bear Creek Properties Company	6,814,270	1.05
Riser Foods Company	6,650,000	1.03
Krick Road Realty	4,450,980	0.69
Bedford Colony Club Apartments	4,225,420	0.65
Brandybrook, LLC	3,964,120	0.61
University Hospitals	3,766,670	0.58
Weston	3,565,520	0.56
Mayfred	<u>3,565,520</u>	<u>0.56</u>
Total	<u><u>\$54,319,950</u></u>	<u><u>8.41 %</u></u>
<i>Total Real Estate Tax Assessed Value</i>	<u><u>\$646,128,990</u></u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2004 collection year.

Bedford City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2004

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Ford Motor Company	\$22,274,130	12.98 %
Ben Venue Laboratories, Inc.	17,893,210	10.42
Riser Foods Company	9,894,010	5.76
Sysco Food Services of Cleveland, Inc.	4,559,730	2.66
Majestic Steel Service, Inc.	3,498,440	2.04
Weyerhaeuser Company	4,371,630	2.55
Jay Pontiac, Inc.	3,441,230	2.00
Illinois Tool Works, Inc.	3,343,540	1.95
Ferro Corporation	3,217,100	1.87
Total	<u>\$72,493,020</u>	<u>42.23 %</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u>\$171,667,792</u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2004 collection year.

Bedford City School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2004

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Cleveland Electric Illuminating Company	\$19,436,090	51.45 %
American Transmission System	8,709,960	23.06
Ohio Bell Telephone Company	4,771,710	12.63
East Ohio Gas Company	981,600	2.60
Norfolk Southern Combined	302,980	0.80
Level 3 Communications	120,880	0.32
Qwest Communications	114,790	0.30
AT&T Wireless	80,130	0.21
Total	<u>\$34,518,140</u>	<u>91.37 %</u>
<i>Total Public Utilities Tangible Property Tax Assessed Value</i>	<u>\$37,778,070</u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2004 collection year.

Bedford City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>Governmental Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2005	\$46,691,040	3,840	\$12,159
2004	48,865,785	3,892	12,555
2003	43,488,737	3,637	11,957
2002	41,772,750	3,730	11,199
2001	38,633,713	3,844	10,050
2000	36,151,341	3,867	9,349
1999	34,532,877	3,888	8,882
1998	36,900,937	3,873	9,528
1997	35,784,803	4,039	8,860
1996	32,207,776	3,977	8,099

Source: School District Financial Records.

Bedford City School District
Teacher Education and Experience
 June 30, 2005

Degree	Number of Teachers and Administrators (1)		Percentage of 2005
	2004	2005	Total
Bachelor's Degree	45	39	12.70 %
Bachelor Including 150 Hours	63	63	20.52
Bachelor Including 180 Hours	43	37	12.05
Master's Degree	65	76	24.76
Master's + 9 Hours	40	39	12.70
Master's + 18 Hours	13	12	3.91
Master's + 27 Hours	13	11	3.58
Master's + 36 Hours	6	6	1.96
Master's + 45 Hours	14	16	5.21
Master's + 54 Hours	5	8	2.61
Total	307	307	100.00 %

Years of Experience	Number of Teachers and Administrators (1)		Percentage of 2005
	2004	2005	Total
0 - 5	113	109	35.50 %
6 - 10	65	74	24.10
11 - 15	38	40	13.03
16 - 20	32	31	10.10
21 - 25	15	16	5.21
26 and Over	44	37	12.06
	307	307	100.00 %

Source: Bedford School District Personnel Records

(1) Licensed administrators including Business Manager, Treasurer and Assistant Treasurer



**Auditor of State
Betty Montgomery**

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BEDFORD CITY SCHOOL DISTRICT

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
JANUARY 12, 2006**