



**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

January 10, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	5
Schedule of Findings	7

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$98,126	\$0	\$115,963
School Breakfast Program	043562-05PU-2005	10.553	23,667	0	23,667	0
	043562-05PU-2006	10.553	77,607	0	77,607	0
Total School Breakfast Program			101,274	0	101,274	0
National School Lunch Program	043562-LLP4-2005	10.555	109,856	0	109,856	0
	043562-LLP4-2006	10.555	332,835	0	332,835	0
Total National School Lunch Program			442,691	0	442,691	0
Total U.S. Department of Agriculture - Nutrition Cluster			543,965	98,126	543,965	115,963
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	043562-6BSF-2005	84.027	114,950	0	76,500	0
	043562-6BSF-2006	84.027	915,415	0	883,516	0
Total Special Education Grants to States			1,030,365	0	960,016	0
Special Education: Preschool Grants	043562-PGS1-2005	84.173	10,346	0	6,637	0
	043562-PGS1-2006	84.173	28,650	0	32,359	0
Total Special Education Preschool Grants			38,996	0	38,996	0
Total Special Education Cluster			1,069,361	0	999,012	0
Title I Grants to Local Educational Agencies	043562-C1S1-2005	84.010	61,914	0	67,381	0
	043562-C1S1-2006	84.010	417,223	0	404,977	0
	043562-C1SD-2005	84.010	13,331	0	15,119	0
	043562-C1SD-2006	84.010	1,708	0	2,501	0
Total Title I Grants to Local Education Agencies			494,176	0	489,978	0
Vocational Education: Basic Grants to States	20C1-2005	84.048	42,678	0	9,240	0
	20C1-2006	84.048	128,037	0	112,301	0
Total Vocation Education: Basic Grants to States			170,715	0	121,541	0
Safe and Drug-Free Schools and Communities State Grants	043562-DRS1-2005	84.186	2,732	0	2,055	0
	043562-DRS1-2006	84.186	13,284	0	13,968	0
Total Safe and Drug-Free Schools and Communities State Grants			16,016	0	16,023	0
Innovative Education Program Strategies	043562-C2S1-2005	84.298	4,806	0	3,971	0
	043562-C2S1-2006	84.298	18,566	0	19,061	0
Total Innovative Education Program Strategies			23,372	0	23,032	0
Education Technology State Grants	043562-TJS1-2005	84.318	8,028	0	7,682	0
	043562-TJS1-2006	84.318	882	0	1,156	0
Total Education Technology State Grants			8,910	0	8,838	0
Comprehensive School Reform Demonstration	043562-RFCC-2006	84.332	4,820	0	16,135	0
	043562-RFCC-2005	84.332	36,737	0	38,396	0
	043562-RFS3-2004	84.332	(91)	0	3,177	0
Total Comprehensive School Reform Demonstration			41,466	0	57,708	0
English Language Acquisition Grants	043562-T3S1-2006	84.365	5,336	0	5,336	0
			5,336	0	5,336	0
Improving Teacher Quality State Grants	043562-TRS1-2005	84.367	21,671	0	21,727	0
	043562-TRS1-2006	84.367	119,662	0	118,461	0
Total Improving Teacher Quality State Grants			141,333	0	140,188	0
Total U.S. Department of Education			1,970,685	0	1,861,656	0
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medicaid Assistance Program	N/A	93.778	45,945	0	45,945	0
State Children's Health Insurance Program	N/A	93.767	7,495	0	7,495	0
Total U.S. Department of Health and Human Services			53,440	0	53,440	0
Total Federal Assistance			<u>\$2,568,090</u>	<u>\$98,126</u>	<u>\$2,459,061</u>	<u>\$115,963</u>

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, 2006**

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 receipt shown for the Comprehensive School Reform Demonstration, CFDA #84.332, in the amount of \$91, represents an amount that was 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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2006, wherein we noted the District restated their property tax receivable. 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 22, 2006, 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*.

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 22, 2006



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, 2006. 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, 2006.

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.

Schedule of Federal Awards Receipts and 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, 2006, and have issued our report thereon dated December 22, 2006, wherein we noted the District restated their property tax receivable. 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 22, 2006

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2006**

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):	Vocational Education: CFDA# 84.048 – Basic Grants to States Nutrition Cluster: 10.550 – Food Distribution 10.553 – School Breakfast Program 10.555 – School Lunch 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

Bedford, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2006

Prepared by:

Janet M. Pavlic, CPA
Treasurer

Donald E. Houghton, Jr.
Assistant Treasurer

Bedford City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2006

Table of Contents

	<u>Page</u>
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials.....	xvii
Organizational Chart	xviii
GFOA Certificate of Achievement	xix
 II. Financial Section	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund.....	18
Statement of Fund Net Assets – Internal Service Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	20
Statement of Cash Flows – Internal Service Funds.....	21
Statement of Fiduciary Net Assets – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Fund.....	23
Notes to the Basic Financial Statements	24

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions	49
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	53
Combining Balance Sheet – Nonmajor Special Revenue Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	59
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	66

Combining Statements - Internal Services Funds:

Fund Descriptions	67
Combining Statement of Fund Net Assets – Internal Service Funds	68
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	69
Combining Statement of Cash Flows – Internal Service Funds	70

Statement of Changes in Assets and Liabilities – Agency Fund.....	71
---	----

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in

Fund Balance/Equity - Budget (Non-GAAP Basis) and Actual.....	72
---	----

Major Fund:

General Fund.....	73
-------------------	----

Nonmajor Funds:

Food Service Fund	78
Summer School Fund.....	79
Adult and Continuing Education Fund	80
Recreation Fund	81
Public School Support Fund	82
Local Grants Fund	84
Special Enterprise Fund	86
District Managed Student Activities Fund.....	87
Auxiliary Services Fund	89
Education Management Information Systems Fund.....	90
Entry Year Teachers Fund	91
Disadvantaged Pupil Impact Aid Fund	92
Data Communications Fund	93
SchoolNet Professional Development Fund.....	94

Ohio Reads Grant Fund	95
Summer Intervention Fund	96
Vocational Education Enhancement Fund.....	97
Miscellaneous State Grants Fund.....	98
Title VI-B Fund	99
Vocational Education Fund.....	101
Title III Fund.....	103
Title I Fund	104
Title V Fund.....	106
Drug Free Schools Fund	107
Preschool Handicapped Fund	108
Title VI-R Fund	109
Miscellaneous Federal Grants Fund.....	110
Bond Retirement Fund.....	111
Permanent Improvement Fund.....	112
Building Fund	113
Capital Replacement Fund.....	114
Vocational Equipment Fund	115
SchoolNet Fund.....	116
Self Insurance Fund	117
Computer Network Fund	118
Scholarship Fund	119

III. Statistical Section

Net Assets by Component – Last Six Fiscal Years.....	S2
Change in Net Assets – Last Six Fiscal Years	S4
Program Revenues by Function – Last Six Fiscal Years	S8
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S10
Changes in Fund Balances – Last Ten Fiscal Years	S12
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S14
Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Value) – Last Eight Years.....	S16
Property Tax Levies and Collections – Last Nine Years	S20
Principal Taxpayers – 2005 and 1996	
Real Estate Tax	S21
Tangible Personal Property Tax.....	S22
Public Utilities Tax	S23
Computation of Legal Debt Margin.....	S24
Ratio of General Obligation Bonded Debt to Estimated Actual Value And Debt per Capita – Last Ten Fiscal Years.....	S26
Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2005	S28

Principal Employers – 2005 and 2001	S29
Demographic and Economic Statistics – Last Seven Years.....	S30
Building Statistics – Last Three Fiscal Years	S32
Per Pupil Cost – Last Ten Fiscal Years.....	S34
School District Employees by Function/Program – Last Eight Fiscal Years.....	S36
Full-Time Equivalent Certified School District Employees By Education – Last Ten Fiscal Years	S38
Enrollment Statistics – Last Ten Fiscal Years	S40
Attendance and Graduation Rates – Last Nine Fiscal Years	S41
Average Number of Students per Teacher – Last Nine School Years	S42



BEDFORD CITY SCHOOL DISTRICT

Treasurer • 475 Northfield Road • Bedford, OH 44146-2201 • 440-439-4670

December 22, 2006

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, 2006. 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 614 school districts in the State of Ohio and one of 33 in Cuyahoga County. The School District provided, as of June 30, 2006, education to 3,908 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 16 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 \$854,932,514 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 is in progress to complete a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation has substantially completed the exterior of their building. This was on a Brownfield site and the site 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 14th largest pharmaceutical company in the world having more than 36,000 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 126 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 condition has declined, along with a number of the regional economies in Northeast Ohio. In spite of this, 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. In 2006, a new owner purchased the hotel and a major hotel chain is expected to occupy the building.

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 2005, 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) was completed in 2006. 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 October 2005, 3,772 students were enrolled in the School District’s seven schools (two primary, two intermediate schools, one sixth-grade school, one middle school, and one high school). As of June 30, 2006, the School District employed 308 professional staff members and 291 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 garage.

Instructional Program

Bedford Schools offer a wide range of programs and services to meet the interests and skill levels of students of all ages. Helping children build the strong foundation for the learning process is a major focus in the primary grades where teachers help children master basic skills. Intermediate school educators work to broaden educational opportunities to help children reach their maximum potential. The middle school experience provides expanded opportunities for math, computer science, foreign language, art, family and consumer science, and industrial arts. Students may earn high school credit by taking French, German, or Spanish I and Algebra I in the 7th or 8th grade.

The School District’s Department of Pupil Services includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, and speech-language and hearing services. Full-time guidance counselors are available in all school buildings.

Bedford High School offers more than 200 courses to meet a wide range of students’ needs. These include Honors and Advanced Placement, college preparatory, modified, foreign language, music, and fine and cultural arts courses. An on-site Career and Technology Education program includes traditional vocational trades as well as Tech-Prep programs to prepare students for technology-based careers. Tech-Prep students can earn credits toward an Associate’s Degree at Cuyahoga Community College. The credits may later transfer to a four-year college. Students may also choose from five work-study programs.

Beginning with the 4th grade, programs are offered onsite for gifted students. Students are evaluated for entry into the Gifted and Talented Education (GATE) 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.

Bedford Schools also provide many programs for students with disabilities. These programs include specific learning disabilities, cognitive disabilities, speech/language pathology, multiple disabilities,

severe emotional disabilities, and more. The majority of these programs are offered within the School District so as to provide direct oversight of all children's needs.

Bedford High School is fully accredited by the North Central Association of Colleges and Schools. The curriculum offers a wide range of courses and comprehensive programs for college preparatory, career and technical education, and gifted education. More than 70 extra-curricular programs and activities are offered. A comprehensive Career and Technology Education Program is offered at Bedford High School in cooperation with the adjacent Maple Heights City School District. Career and Technology Education courses include Biotechnology, Health Sciences/Pre-nursing, Computerized Accounting, Microsoft Office®, Cooperative Business Education, Occupational Work Experience, Occupational Work Adjustment, Diversified Cooperative Training, Marketing Education, Automotive Technology, Quick-Serve Automotive Care, CISCO Network Academy, Community Job Skills, Cosmetology, Home Improvement and Maintenance, Graphic Communications, and Family and Consumer Science.

Academic Program Highlights

The Bedford City School District's academic program includes the following highlights from the 2005-2006 school year:

- Bedford High School retained its "Effective" rating on the Ohio Report Card and all other schools in the district either maintained or moved up to "Continuous Improvement" ranking. The School District raised its Performance Index, a composite measure of the level of performance of every student in all tested subjects, to 85.4, further demonstrating that its upward trend in academic achievement continued.
- To increase the involvement of parents in their children's education, ProgressBook was launched during the 2005-2006 school year at Carylwood, Columbus, Aurora, Heskett, and Bedford High schools. This Internet-based program enables parents to monitor their children's grades, homework, and attendance on-line from any computer any time of the day or night.
- The Bedford Board of Education approved changes to the Athletic Eligibility Policy. Beginning in the 2006-2007 school year, students at Bedford High and Heskett Middle schools will need a 1.75 grade point average (GPA) to participate in extra-curricular activities or athletics. The GPA increases to 2.0 in the 2007-2008 school year.
- Classroom instruction and individualized learning for students took the major step forward as teachers and staff began transforming the Bedford Schools into a Professional Learning Community (PLC). PLCs are characterized by the building of a collaborative culture where teachers, administrators, and staff work together to improve academic achievement and the overall effectiveness of the learning process.
- Approximately 89% of high school graduates from the Class of 2006 indicated they intended to pursue higher education. 4.9% entered the workforce, 0.4 percent entered the military and 5.7% were undecided. The Class also earned \$2,735,000 in academic and athletic scholarship, a new class record.
- A full-time guidance counselor was assigned to all elementary schools. The guidance counselor is now available every day to counsel or address issues that inhibit their academic progress.
- Major progress was made in the area of technology with the addition of wireless computer labs at both Central and Glendale primary schools. The labs allow students to become familiar with using technology while enhancing their reading and math skills. Two additional wireless computer labs were added at Carylwood and Columbus intermediate schools as well.

The wireless labs represent Bedford Schools' latest efforts to incorporate technology in the learning process, a commitment that was made to voters when the 4.9-mill operating levy was passed in November 2004.

- Five schools in the Bedford District earned the Governor's Buckeye Best Healthy School Awards for the 2005-2006 school year. Bedford High and Heskett Middle schools received the top gold awards; Columbus, Carylwood, and Glendale received silver awards. The award recognizes schools that have programs and/or school health policies that reflect a high priority on the health of students and staff.
- New textbooks and supplemental materials were purchased at a cost of \$116,067. Purchases included math books for grades kindergarten through six, language arts books for sixth grade, and social studies books for eighth grade. Selected textbooks were also purchased for courses at Bedford High School.
- A Bedford High School senior was named a Finalist in the National Merit Scholarship Program. She was among only 15,000 students – less than 1 percent of students in the U.S.-- who had the highest scores on the Preliminary SAT/National Merit Scholarship Qualifying Test.
- Heskett Middle School's RoboCatz robotics team built a robot out of Legos® and competed in the 4th annual Toledo Regional F^{IRST} Lego League Tournament in December. The team won the prestigious Judges Award in recognition of having the best overall rating for teamwork, research, technical presentation, and robot performance.
- A Heskett eighth grader took first place at the middle school level in the statewide Martin Luther King Jr. Oratorical Contest. Her award will be lunch in January 2007 with Ohio's new governor.
- A Heskett school seventh grader advanced from district and regional contests to compete at the Ohio Power of the Pen creative writing competition. At the state contest, she progressed to the semi-finals, placing her in the top 9% of the best middle school writers in the state.
- Plans were finalized during the 2005-2006 school year for Heskett students to participate in double math periods. The 85-minute-long daily math sessions will help students strengthen their math skills and prepare to take the Ohio Graduation Test, passage of which is required in order to earn a high school diploma.
- Plans also were formalized for 7th grade gifted and talented students to take Algebra I for the 2006-2007 school year. Those who are successful will have the option to take geometry as 8th graders. Students will earn high school credit in math for both courses.
- An Aurora Upper Intermediate School 6th grader took 3rd place in her age group in a complex mathematical competition for gifted education students. She was among about 140 students from 10 area school districts who participated.
- Students at Aurora School made significant gains on statewide reading and math achievement tests. Contributing to their success was a new computer software program that individualizes the academic needs of each student. Teachers use the program to create customized lessons and tests to monitor each student's progress.
- Following successful ventures at two other schools in the Bedford District, Columbus Intermediate School became the third school to establish a Listening Dog Program. This innovative program uses trained therapy dogs to help children improve their reading skills. The children practice reading a story in anticipation of their weekly opportunity to read to

their canine companion. Through this program children learn to read more fluently and improve their overall reading skills.

- A Columbus Intermediate School fifth-grader took first place in an essay contest sponsored by a local church and received a \$100 award. The theme focused on young people honoring the memory of Rosa Parks and the Civil Rights Movement.
- A Carylwood fourth grade student was presented the R.A. Horn Outstanding Achievement Award. This state-level honor recognizes extraordinary achievement by students with disabilities.

Long-term Planning

The Bedford Schools District has been engaged in a formalized strategic planning process since 1990. The Strategic Planning Steering Committee meets annually to review and discuss the future direction of the School District.

In 2003, the Committee essentially “retired” its previous strategic plan declaring that all of the strategies were fully operational and had met intended objectives. Only one, the newest strategy (Strategy #19) was retained. With that, the Committee developed a new strategic plan consisting of eight new strategies proposed as a means of accomplishing the School District’s objectives. These eight strategies and the 19th Strategy from the Bedford City School District’s current strategic plan:

New Strategic Plan

1. We will develop and implement an individual instructional plan for every student to address his or her strengths and developmental needs.
2. We will develop and implement a program to establish the Bedford City School District as the local and national leader in promoting, maintaining, and utilizing our multi-cultural advantage.
3. We will develop and implement a plan to enhance academic achievement and maintain diversity through the optimum configuration of our grade levels and facilities.
4. We will develop and implement a comprehensive program to dramatically increase parental involvement at school and home across the Bedford City School District.
5. We will develop and implement a plan that provides on-going support for the emotional needs of the students and staff.
6. We will develop and implement a comprehensive preK-post secondary measurement program to evaluate and improve our educational process and programs.
7. We will develop and implement a comprehensive program to provide and require the use of state-of-the-art, accessible technology for all students, parents/guardians, and staff.
8. We will implement and expand on-going staff development that maximizes opportunities for all personnel to grow professionally.

Financial Planning

The district prepares a five-year forecast each fall. This document provides the basis for the School District’s short and long-term financial plans.

Recent changes in Ohio school funding law are expected to negatively impact the Bedford Schools' financial profile. In an effort to be proactive, the School District has embarked upon a strict program to monitor spending. For example, the school district participates in several cooperative-purchasing programs, such as the Ohio Schools Council. These relationships enable the Bedford Schools to join with other districts in acquiring routine goods and services at competitive prices. Through group purchasing, the Bedford Schools save on items such as school buses, diesel fuel, and utilities. The School District also works closely with insurers of employees' healthcare, property, and workers' compensation to contain premiums while maintaining quality coverage.

In addition, the School District continues to pursue grants and awards to provide alternative sources of funding for programs and services that meet our students' diverse needs. These revenue sources include state and federal funded programs available to qualifying school districts.

Finally, the Bedford Board of Education and Administration continue to work closely with legislators and professional organizations to address issues related to improving school funding mechanisms within the State of Ohio.

Employees

As of June 30, 2006, the School District had 478 employees. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2006, 308 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 58 percent or 178 held advanced degrees. The 2005-2006 starting salary for a teacher with a bachelor's degree was \$33,824; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$70,541. The average current base salary of a School District teacher for 2005-2006 was \$52,934.

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, 2005 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 and the EMIS Coordinator. A new contract was negotiated and will expire on December 31, 2007. There have been no work stoppages in the last 15 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 fund 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. 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 monitored 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 fifth 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 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 activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary This statement presents 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 Accountants' Report, providing an assessment of the School District's finances for 2006 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 \$1,306,296 at June 30, 2006, compared with \$1,220,564 in 2005, reflecting a net increase of \$85,732. 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 \$759,074 for fiscal year 2006, of which \$724,944 was credited to the general fund, \$1,077 was credited to the auxiliary services special revenue fund and \$33,053 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, 2006. 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, 2005.

This was the ninth 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 2006 CAFR. The 2006 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

Layout and production of the 2006 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,

Janet M. Pavlic, CPA
Bedford City School District Treasurer

Martha A. Motsco, Esq.
Superintendent of Schools

**Bedford City School District
Principal Officials
June 30, 2006**

Board of Education

Mr. Joseph V. Mestnik	President
Mrs. Debora J. Kozak	Vice President
Mrs. Barbara A. Patterson	Member
Mr. Andrew C.M. Mizesak	Member
Mr. Tim Tench	Member

Treasurer

Mrs. Janet M. Pavlic, CPA

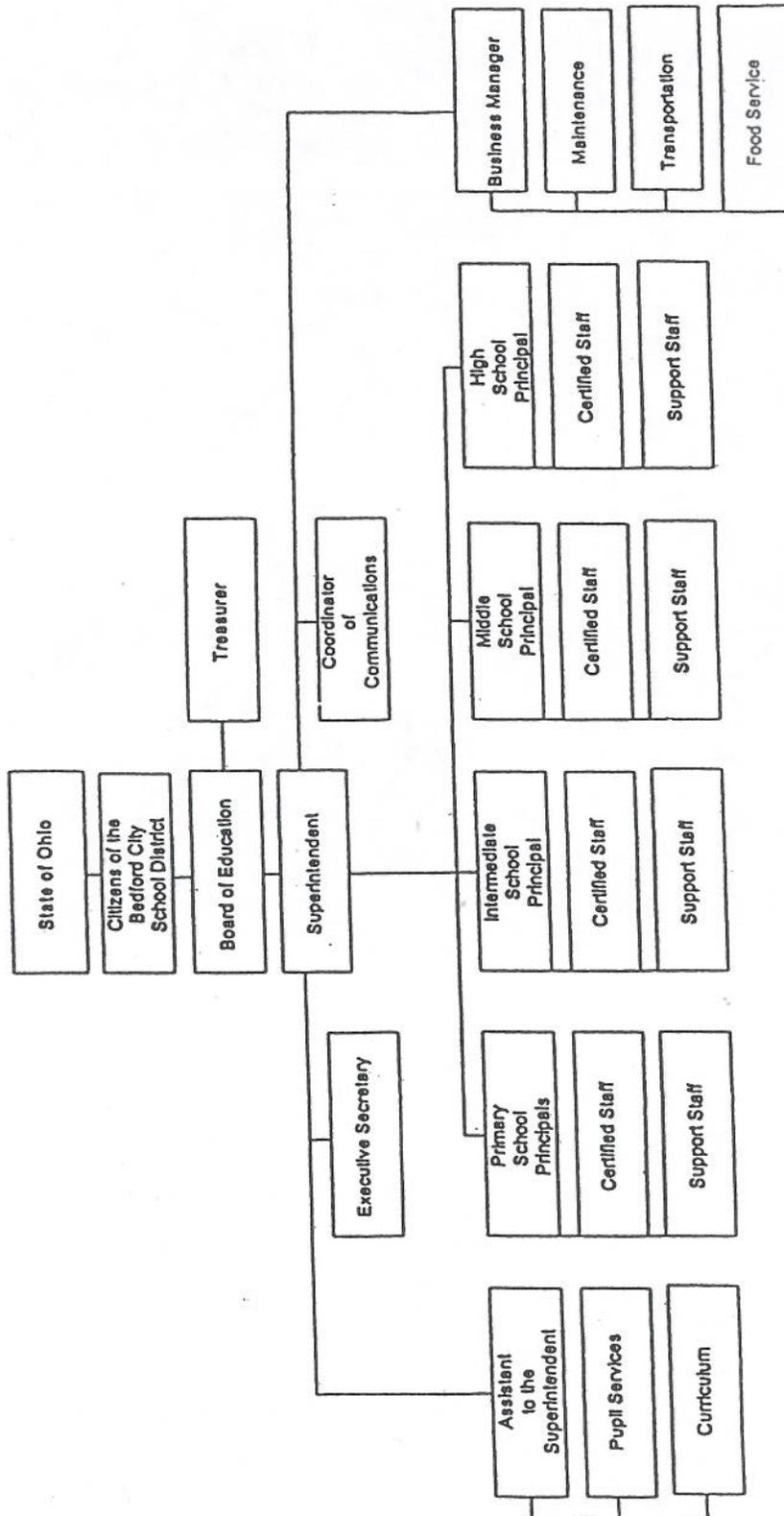
Assistant Treasurer

Mr. Donald E. Houghton, Jr.

Administration

Mrs. Martha A. Motsco, Esq.	Superintendent
Mr. Sherman C. 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, 2005

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.



Carla E. Perry

President

Jeffrey R. Emmer

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, 2006, 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.

As described in Note 3, during the year ended June 30, 2006, the District restated their property tax receivable.

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, 2006, 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 22, 2006, 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 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 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 22, 2006

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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, 2006. 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 2006 are as follows:

- In total, net assets increased \$1,507,350, a 7.34 percent increase over fiscal year 2005.
- For fiscal year 2006, the School District saw an increase in current and other assets of \$2,468,730, primarily due to an increase in cash at the end of the year from fiscal year 2005.
- General revenues accounted for \$45,008,986 in revenues or 88.96 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,586,423 or 11.04 percent of total revenues of \$50,595,409.
- The School District had \$49,088,059 in expenses related to governmental activities; only \$5,586,423 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues related to governmental activities of \$45,008,986 were adequate to provide for these programs.
- The general fund had \$44,315,596 in revenues and \$43,386,150 in expenditures. The general fund's fund balance increased by \$812,483 in 2006.

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 ("GASB") Statement 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 provide 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, 2006
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. In 2005 the School District reclassified the enterprise funds as *special revenue funds*. 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 computer supplies available to all departments and are reported as the School District's only proprietary funds.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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 2006 compared to fiscal year 2005:

Table 1
 Net Assets

	2006	2005	Change
Assets			
Current and Other Assets	\$53,579,610	\$51,110,880	\$2,468,730
Capital Assets, Net	<u>21,294,015</u>	<u>19,273,544</u>	<u>2,020,471</u>
<i>Total Assets</i>	<u>74,873,625</u>	<u>70,384,424</u>	<u>4,489,201</u>
Liabilities			
Current and Other Liabilities	38,132,251	31,451,846	6,680,405
Long-Term Liabilities:			
Due Within One Year	2,372,354	2,062,012	310,342
Due in More than One Year	<u>12,319,460</u>	<u>10,028,356</u>	<u>2,291,104</u>
<i>Total Liabilities</i>	<u>52,824,065</u>	<u>43,542,214</u>	<u>9,281,851</u>
Net Assets			
Invested in Capital Assets, Net of Debt	9,900,232	10,390,724	(490,492)
Restricted:			
Capital Projects	1,882,830	397,551	1,485,279
Debt Service	1,381,463	1,418,198	(36,735)
Other Purposes	511,238	849,525	(338,287)
Unrestricted	<u>8,373,797</u>	<u>7,486,212</u>	<u>887,585</u>
<i>Total</i>	<u>\$22,049,560</u>	<u>\$20,542,210</u>	<u>\$1,507,350</u>

The \$4,489,201 increase in assets was predominantly due to an increase of \$2,180,192 in non-depreciable capital assets, as well as a \$2,262,911 increase in cash. These increases are offset by decreases in intergovernmental receivables and depreciable capital assets. Current and other liabilities increased \$6,680,405 mainly due to a decrease in deferred revenue.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 2 shows changes in governmental net assets for fiscal years 2006 and 2005.

	2006	2005	Change
Revenues			
<i>Program Revenues:</i>			
Charges for Services	\$2,384,822	\$1,271,382	\$1,113,440
Operating Grants and Contributions	3,201,601	3,604,228	(402,627)
Capital Grants	0	35,910	(35,910)
<i>Total Program Revenues</i>	<u>5,586,423</u>	<u>4,911,520</u>	<u>674,903</u>
<i>General Revenue:</i>			
Property Taxes	35,672,056	34,206,020	1,466,036
Grants and Entitlements	8,149,887	9,140,806	(990,919)
Investments	759,074	325,033	434,041
Other	427,969	170,909	257,060
<i>Total General Revenues</i>	<u>45,008,986</u>	<u>43,842,768</u>	<u>1,166,218</u>
Total Revenues	<u>50,595,409</u>	<u>48,754,288</u>	<u>1,841,121</u>
Program Expenses			
Instruction	24,090,319	22,869,124	1,221,195
Support Services:			
Pupils	2,758,509	2,665,621	92,888
Instructional Staff	1,762,862	1,586,546	176,316
Board of Education	407,852	207,937	199,915
Administration	3,942,749	3,204,240	738,509
Fiscal	1,236,174	1,249,303	(13,129)
Business	777,247	555,487	221,760
Operation and Maintenance of Plant	6,731,992	5,865,329	866,663
Pupil Transportation	3,851,122	3,372,082	479,040
Central	309,079	291,782	17,297
Operation of Non-Instructional Services:			
Food Services Operations	1,471,121	1,312,760	158,361
Other Non-Instructional Services	454,710	514,115	(59,405)
Extracurricular Activities	826,605	916,721	(90,116)
Interest and Fiscal Charges	467,718	514,430	(46,712)
<i>Total Program Expenses</i>	<u>49,088,059</u>	<u>45,125,477</u>	<u>3,962,582</u>
<i>Net Change in Net Assests</i>	1,507,350	3,628,811	(2,121,461)
<i>Net Assets Beginning of Year</i>	<u>20,542,210</u>	<u>16,913,399</u>	<u>3,628,811</u>
<i>Net Assets End of Year</i>	<u>\$22,049,560</u>	<u>\$20,542,210</u>	<u>\$1,507,350</u>

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

General revenues increased \$1,166,218 from 2005, mainly due to an increase in property tax revenue. Also impacting general revenue were grants and entitlements, the bulk of which represents State funding, decreased \$990,919 from fiscal year 2005. Interest revenues increased \$434,041 due to more cash available for investment purposes. Total revenues increased \$1,841,121 or 3.78 percent from 2005. The increase of \$674,903 in program revenues is largely due to the School District receiving additional delinquent tuition due from other school districts in fiscal year 2006, and offsets the decrease of \$402,627 in grant awards and local contributions.

The increase of \$3,962,582 in program expenses is primarily due to the increased cost of wages and benefits for all employees. In addition, increased energy costs drove up both natural gas and gasoline prices effecting costs in pupil transportation and operation of all buildings.

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 65.76 percent of total revenues in the School District for fiscal year 2006. Grants, entitlements and contributions made up 26.04 percent of total revenues. Charges for services, investments and other revenue made up the remaining 8.20 percent.

Instructional expenses account for 49.08 percent of total program expenses. Building maintenance and pupil transportation cost made up 21.56 percent of current year expenses, while administrative costs made up 8.03 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.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 3
 Net Cost of Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
Instruction	\$24,090,319	(\$21,270,092)	\$22,869,124	(\$20,481,702)
Support Services:				
Pupils	2,758,509	(2,565,448)	2,665,621	(2,631,893)
Instructional Staff	1,762,862	(1,589,581)	1,586,546	(1,364,109)
Board of Education	407,852	(407,852)	207,937	(207,937)
Administration	3,942,749	(3,607,414)	3,204,240	(3,083,016)
Fiscal	1,236,174	(1,236,174)	1,249,303	(1,249,303)
Business	777,247	(745,467)	555,487	(527,659)
Operation and Maintenance of Plant	6,731,992	(6,672,783)	5,865,329	(5,771,235)
Pupil Transportation	3,851,122	(3,848,396)	3,372,082	(3,274,939)
Central	309,079	(306,591)	291,782	(283,393)
Operation of Non-Instructional Services:				
Food Service Operations	1,471,121	(48,699)	1,312,760	(33,422)
Other Non-Instructional Services	454,710	(15,153)	514,115	(6,837)
Extracurricular Activities	826,605	(720,268)	916,721	(784,082)
Interest and Fiscal Charges	467,718	(467,718)	514,430	(514,430)
<i>Total</i>	<u>\$49,088,059</u>	<u>(\$43,501,636)</u>	<u>\$45,125,477</u>	<u>(\$40,213,957)</u>

The total cost of governmental activities' services increased by \$3,962,582 or 8.14 percent from fiscal year 2005 to fiscal year 2006, mainly due to increased salary and benefit costs and increased maintenance costs. The net cost of services increased by \$3,287,679 or 8.17 percent from fiscal year 2005 to fiscal year 2006, due to the increase in expenses and decrease in revenues as discussed above.

The dependence on tax revenues and state subsidies for governmental activities is apparent. 88.29 percent of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 88.62 percent.

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 \$50,626,758 and expenditures of \$52,142,914. The net change in fund balance for the year in the general fund increased by \$812,483 with a \$1,263,475 increase in all other governmental funds. Again, this decrease is primarily due to increased property tax revenues coupled with increased personnel costs.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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 2006, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount of \$45,541,145 is \$2,990,580 or 7.03 percent higher than the original budget amount of \$42,550,565. The increase was due primarily to the anticipated tax revenues related to changes in State tax law. Actual revenues of \$44,685,259 are \$855,886 or 1.88 percent lower than the final budget amount. Actual expenditures of \$44,709,046 are \$2,418,054 or 5.41 percent less than the final budget amount of \$47,127,100. The School District ended the fiscal year with a fund balance of \$9,937,009 an increase of \$1,117,423 from fiscal year 2005, and \$1,623,948 higher 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 2006 the School District had, at cost, \$47,483,074 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$26,189,059. Table 4 shows fiscal year 2006 balances compared to fiscal year 2005.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2006	2005
Land	\$2,283,183	\$2,283,183
Construction in Progress	2,180,192	0
Buildings and Improvements	13,012,043	13,391,650
Furniture and Equipment	1,900,001	1,938,612
Vehicles	1,918,596	1,660,099
Totals	\$21,294,015	\$19,273,544

In May of 2006 voters in the School District approved the renewal of a one mill permanent improvement levy. This levy generates approximately \$1,000,000 a year which is used exclusively for capital purchases. During fiscal year 2006, the School District began an energy conservation project which is shown as Construction in Progress. This project accounts for the majority of the \$2,020,471 increase in capital assets in fiscal year 2006. The net value of governmental capital assets is 44.85 percent of the

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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-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, 2006, the School District had \$12,134,071 in bonds, loans and leases outstanding, \$1,190,832 of which was due within one year. Table 5 summarizes bonds and loans outstanding.

Table 5
 Outstanding Debt at June 30
 Governmental Activities

	2006	2005
1996 Energy Conservation Note	\$0	\$80,000
1994 Facilities Acquisition Manuscript Bond	150,000	165,000
2001 Refunding Serial Bonds	6,562,642	7,433,196
2001 Refunding Capital Appreciation Bonds	845,108	764,345
2002 Maintenance Facility Loan	452,000	506,000
2004 Astro Turf Lease	284,000	330,000
2004 Telecommunications Lease	278,207	382,854
2006 Energy Conservation Improvement Bonds	3,562,114	0
Totals	\$12,134,071	\$9,661,395

The School District's general obligation bonds were issued for the purposes of renovations of facilities which conserved energy, the renovation and construction of facilities, an addition to Columbus Road School, 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 fiscal year 2006, the School District issued \$3,562,114 in Energy Conservation Improvement Bonds. The proceeds of these bonds will be used to install energy saving technologies including HVAC replacement at Columbus Road School. The anticipated savings in utility costs will be used to fund the repayment of the bonds.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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 general 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 \$54,542,347 with an unvoted debt margin of \$522,705. For additional information on long-term obligations, see Note 18 of the notes to the basic financial statements.

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.

School Funding

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.

House Bill 66

The Bedford City School District does not anticipate any meaningful growth in revenue as a result of any of the changes in taxes from House Bill 66. 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 sixth 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 the Treasurer of Bedford City School District, 475 Northfield Road 44146.

Bedford City School District

Statement of Net Assets

June 30, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$16,460,215
Accounts Receivable	5,475
Intergovernmental Receivable	386,737
Inventory Held for Resale	20,262
Materials and Supplies Inventory	276,003
Taxes Receivable	36,371,379
Deferred Charges	59,539
Nondepreciable Capital Assets	4,463,375
Depreciable Capital Assets	16,830,640
	<hr/>
<i>Total Assets</i>	<i>74,873,625</i>
Liabilities	
Accounts Payable	334,398
Accrued Wages and Benefits Payable	3,521,486
Intergovernmental Payable	1,538,277
Deferred Revenue	32,427,487
Matured Compensated Absences Payable	209,268
Accrued Interest Payable	35,365
Claims Payable	65,970
Long-Term Liabilities:	
Due Within One Year	2,372,354
Due in More Than One Year	12,319,460
	<hr/>
<i>Total Liabilities</i>	<i>52,824,065</i>
Net Assets	
Invested in Capital Assets, Net of Related Debt	9,900,232
Restricted for:	
Capital Projects	1,882,830
Debt Service	1,381,463
Local Grants	51,895
Special Enterprise	132,294
Federal Grants	77,887
Other Purposes	249,162
Unrestricted	8,373,797
	<hr/>
<i>Total Net Assets</i>	<i>\$22,049,560</i>

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues			Net Expenses and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$16,995,725	\$953,261	\$371,896	(\$15,670,568)
Special	5,512,505	222,882	1,051,255	(4,238,368)
Vocational	1,582,089	70,650	150,283	(1,361,156)
Support Services:				
Pupil	2,758,509	0	193,061	(2,565,448)
Instructional Staff	1,762,862	1,558	171,723	(1,589,581)
Board of Education	407,852	0	0	(407,852)
Administration	3,942,749	185,583	149,752	(3,607,414)
Fiscal	1,236,174	0	0	(1,236,174)
Business	777,247	31,472	308	(745,467)
Operation and Maintenance of Plant	6,731,992	0	59,209	(6,672,783)
Pupil Transportation	3,851,122	2,726	0	(3,848,396)
Central	309,079	0	2,488	(306,591)
Operation of Non-Instructional Services:				
Food Service Operations	1,471,121	812,352	610,070	(48,699)
Other Non-Instructional Services	454,710	10,637	428,920	(15,153)
Extracurricular Activities	826,605	93,701	12,636	(720,268)
Interest and Fiscal Charges	467,718	0	0	(467,718)
<i>Total Governmental Activities</i>	<u>\$49,088,059</u>	<u>\$2,384,822</u>	<u>\$3,201,601</u>	<u>(43,501,636)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				34,235,814
Debt Service				963,017
Capital Outlay				473,225
Grants and Entitlements not Restricted to Specific Programs				8,149,887
Investment Earnings				759,074
Miscellaneous				427,969
<i>Total General Revenues</i>				<u>45,008,986</u>
Change in Net Assets				1,507,350
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>				<u>20,542,210</u>
<i>Net Assets End of Year</i>				<u>\$22,049,560</u>

See accompanying notes to the basic financial statements

Bedford City School District*Balance Sheet**Governmental Funds**June 30, 2006*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$10,777,664	\$4,310,285	\$15,087,949
Accounts Receivable	3,975	1,500	5,475
Intergovernmental Receivable	840	385,897	386,737
Inventory Held for Resale	0	20,262	20,262
Materials and Supplies Inventory	270,967	5,036	276,003
Interfund Receivable	443,500	0	443,500
Taxes Receivable	34,540,177	1,831,202	36,371,379
<i>Total Assets</i>	<u>\$46,037,123</u>	<u>\$6,554,182</u>	<u>\$52,591,305</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$110,309	\$224,089	\$334,398
Accrued Wages and Benefits Payable	3,368,847	152,639	3,521,486
Intergovernmental Payable	1,409,054	129,223	1,538,277
Interfund Payable	0	443,500	443,500
Deferred Revenue	31,661,469	1,737,145	33,398,614
Matured Compensated Absences Payable	209,268	0	209,268
<i>Total Liabilities</i>	<u>36,758,947</u>	<u>2,686,596</u>	<u>39,445,543</u>
Fund Balances)			
Reserved for Encumbrances	734,994	1,739,850	2,474,844
Reserved for Property Taxes	2,704,757	174,482	2,879,239
Unreserved, Undesignated Reported in:			
General Fund	5,838,425	0	5,838,425
Special Revenue Funds	0	53,339	53,339
Debt Service Fund	0	1,626,389	1,626,389
Capital Projects Funds	0	273,526	273,526
<i>Total Fund Balances</i>	<u>9,278,176</u>	<u>3,867,586</u>	<u>13,145,762</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$46,037,123</u>	<u>\$6,554,182</u>	<u>\$52,591,305</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, 2006*

Total Governmental Funds Balances		\$13,145,762
 <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.		21,294,015
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	854,166	
Grants	116,961	
		971,127
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		59,539
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(35,365)
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.		1,306,296
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(10,327,114)	
Capital Appreciation Bonds	(845,108)	
Bond Premium	(371,941)	
Loan Payable	(452,000)	
Capital Leases	(562,207)	
Refunding	424,299	
Compensated Absences	(2,557,743)	
Total		(14,691,814)
 <i>Net Assets of Governmental Activities</i>		 \$22,049,560

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, 2006

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$33,935,363	\$1,421,431	\$35,356,794
Intergovernmental	8,056,344	3,641,673	11,698,017
Interest	724,944	34,130	759,074
Charges for Services	0	817,551	817,551
Tuition and Fees	1,303,254	35,646	1,338,900
Rentals	3,198	29,440	32,638
Extracurricular Activities	0	195,733	195,733
Contributions and Donations	0	30,082	30,082
Miscellaneous	292,493	135,476	427,969
<i>Total Revenues</i>	<u>44,315,596</u>	<u>6,341,162</u>	<u>50,656,758</u>
Expenditures			
Current:			
Instruction:			
Regular	16,069,510	569,311	16,638,821
Special	4,288,564	1,134,547	5,423,111
Vocational	1,364,484	172,661	1,537,145
Support Services:			
Pupil	2,548,033	200,723	2,748,756
Instructional Staff	1,597,021	149,164	1,746,185
Board of Education	407,852	0	407,852
Administration	3,525,857	429,406	3,955,263
Fiscal	1,215,241	0	1,215,241
Business	831,517	3,859	835,376
Operation and Maintenance of Plant	6,573,775	267	6,574,042
Pupil Transportation	3,914,785	4,827	3,919,612
Central	292,845	2,682	295,527
Operation of Non-Instructional Services:			
Food Service Operations	0	1,459,746	1,459,746
Other Non-Instructional Services	0	408,581	408,581
Extracurricular Activities	467,043	228,341	695,384
Capital Outlay	0	2,737,132	2,737,132
Debt Service:			
Principal Retirement	253,647	931,000	1,184,647
Interest and Fiscal Charges	35,976	324,517	360,493
<i>Total Expenditures</i>	<u>43,386,150</u>	<u>8,756,764</u>	<u>52,142,914</u>
<i>Excess of Revenues Under Expenditures</i>	<u>929,446</u>	<u>(2,415,602)</u>	<u>(1,486,156)</u>
Other Financing Sources (Uses)			
General Obligation Bonds Issued	0	3,562,114	3,562,114
Transfers In	0	116,963	116,963
Transfers Out	(116,963)	0	(116,963)
<i>Total Other Financing Sources (Uses)</i>	<u>(116,963)</u>	<u>3,679,077</u>	<u>3,562,114</u>
<i>Net Change in Fund Balances</i>	812,483	1,263,475	2,075,958
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>8,465,693</u>	<u>2,604,111</u>	<u>11,069,804</u>
<i>Fund Balances End of Year</i>	<u>\$9,278,176</u>	<u>\$3,867,586</u>	<u>\$13,145,762</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, 2006*

Net Change in Fund Balances -Total Governmental Funds \$2,075,958

*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 capital outlay exceeded depreciation in the current period.

Capital Asset Additions	3,349,867	
Current Year Depreciation	<u>(1,308,790)</u>	
Total		2,041,077

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (20,606)

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

Delinquent Property Taxes	315,262	
Intergovernmental	<u>(376,611)</u>	
Total		(61,349)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

General Obligation Bonds Issued		(3,562,114)
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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	4,411	
Annual Accretion	(80,763)	
Amortization of Premium on Bonds	102,623	
Amortization of Loss on Refunding	(117,069)	
Amortization of Issuance Costs	<u>(16,427)</u>	
Total		(107,225)

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. 1,184,647

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

Compensated Absences		(128,770)
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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.

85,732

Change in Net Assets of Governmental Activities \$1,507,350

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$32,661,816	\$35,329,556	\$34,301,100	(\$1,028,456)
Intergovernmental	7,672,466	7,999,550	8,057,544	57,994
Interest	690,298	671,975	724,944	52,969
Tuition and Fees	1,241,830	1,266,564	1,303,254	36,690
Rentals	3,347	4,000	3,515	(485)
Miscellaneous	280,808	269,500	294,902	25,402
<i>Total Revenues</i>	<u>42,550,565</u>	<u>45,541,145</u>	<u>44,685,259</u>	<u>(855,886)</u>
Expenditures				
Current:				
Instruction:				
Regular	16,665,075	17,175,199	16,476,632	698,567
Special	4,294,727	4,372,174	4,370,021	2,153
Vocational	1,355,703	1,382,619	1,381,328	1,291
Support Services:				
Pupil	2,596,522	2,707,328	2,681,727	25,601
Instructional Staff	1,584,488	1,677,607	1,642,117	35,490
Board of Education	412,815	420,297	409,821	10,476
Administration	3,639,285	3,727,130	3,602,855	124,275
Fiscal	1,307,466	1,342,400	1,233,675	108,725
Business	689,693	905,142	877,196	27,946
Operation and Maintenance of Plant	7,740,665	8,046,518	6,840,698	1,205,820
Pupil Transportation	3,974,811	4,156,841	4,116,976	39,865
Central	276,653	310,620	309,776	844
Extracurricular Activities	436,475	463,037	463,036	1
Capital Outlay	148,001	150,565	13,565	137,000
Debt Service:				
Principal Retirement	251,109	253,647	253,647	0
Interest and Fiscal Charges	35,578	35,976	35,976	0
<i>Total Expenditures</i>	<u>45,409,066</u>	<u>47,127,100</u>	<u>44,709,046</u>	<u>2,418,054</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,858,501)</u>	<u>(1,585,955)</u>	<u>(23,787)</u>	<u>1,562,168</u>
Other Financing Sources (Uses)				
Advances In	1,421,982	788,218	788,218	0
Advances Out	(1,177,045)	(492,345)	(443,500)	48,845
Transfers Out	(146,116)	(129,898)	(116,963)	12,935
<i>Total Other Financing Sources (Uses)</i>	<u>98,821</u>	<u>165,975</u>	<u>227,755</u>	<u>61,780</u>
<i>Net Change in Fund Balance</i>	<u>(2,759,680)</u>	<u>(1,419,980)</u>	<u>203,968</u>	<u>1,623,948</u>
<i>Fund Balance Beginning of Year</i>	<u>8,819,586</u>	<u>8,819,586</u>	<u>8,819,586</u>	<u>0</u>
Prior Year Encumbrances Appropriated	913,455	913,455	913,455	0
<i>Fund Balance End of Year</i>	<u>\$6,973,361</u>	<u>\$8,313,061</u>	<u>\$9,937,009</u>	<u>\$1,623,948</u>

See accompanying notes to the basic financial statements

Bedford City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2006

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,372,266
Liabilities	
Claims Payable	<u>65,970</u>
Net Assets	
Unrestricted	<u><u>\$1,306,296</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, 2006*

Operating Revenues

Charges for Services \$1,243,330

Operating Expenses

Purchased Services 39,459

Claims 1,118,139

Total Operating Expenses 1,157,598

Change in Net Assets 85,732

Net Assets Beginning of Year - Restated (See Note 3) 1,220,564

Net Assets End of Year \$1,306,296

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, 2006

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services	\$1,243,330
Cash Payments for Purchased Services	(39,459)
Cash Payments for Claims	<u>(1,124,770)</u>

Net Increase in Cash and Cash Equivalents 79,101

Cash and Cash Equivalents Beginning of Year 1,293,165

Cash and Cash Equivalents End of Year \$1,372,266

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

Operating Income \$85,732

Adjustments:

Increase in Claims Payable (6,631)

Net Cash Provided by Operating Activities \$79,101

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Private Purpose Trust	
	Scholarships	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$55,813	\$35,208
Liabilities		
Due to Students	0	\$35,208
Net Assets		
Held in Trust for Scholarships	\$55,813	

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, 2006

	<u>Scholarships</u>
Additions	
Interest	\$2,007
Deductions	
Scholarships Awarded	<u>1,200</u>
<i>Change in Net Assets</i>	807
<i>Net Assets Beginning of Year</i>	<u>55,006</u>
<i>Net Assets End of Year</i>	<u><u>\$55,813</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, 2006

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 614 school districts in the State of Ohio and one of 33 in Cuyahoga County, and provides education to 3,908 students in grades K through 12. The District also provides preschool education to 34 handicapped students. The School District is located in northeast Ohio, 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 Holy Spirit, Chanel, 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 16 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, 2006

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, 2006

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.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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 8). 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, 2006, but which were levied to finance fiscal year 2007 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.

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 fund level for all funds; however, the budgets are monitored on a daily basis at the object account level within a function and fund. The Treasurer has been given the authority to allocate appropriations to the function and object levels within each fund.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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."

During fiscal year 2006, the School District's investments were limited to a Bedford City School District Facilities Acquisition Manuscript Bond and the State Treasurer's Asset Reserve (STAROhio).

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, 2006.

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 2006 amounted to \$724,944, which includes \$230,658 assigned from other School District funds.

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, 2006, 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/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>	<u>Governmental Activities 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 expensed when incurred.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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 \$3,775,531 of restricted net assets, none of which 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.

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 and Restatement of Net Assets

For fiscal year 2006, the School District has implemented GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”, GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section” and GASB Statement No. 47, “Accounting for Termination Benefits.”

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section. GASB Statement No. 47 established standards of accounting and financial reporting for termination benefits.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

The implementation of GASB Statements No. 42 and 47 did not materially affect the presentation of the financial statements of the School District.

During fiscal year 2006, it was determined that taxes receivable were overstated. This restatement decreased the governmental fund balance by \$7,007,000 from \$18,076,804 to \$11,069,804.

The above restatement, along with restatements for capital assets that were understated and claims payable that were overstated, had the following effect on net assets at June 30, 2005.

	Governmental Activities
Net Assets, June 30, 2005	\$26,817,392
Taxes Receivable	(7,007,000)
Capital Assets	238,763
Claims Payable	493,055
Restated Net Assets, June 30, 2005	\$20,542,210

The overstated claims payable increased the net asset of the internal service funds by \$493,055, from \$727,509 to \$1,220,564.

Note 4 - Accountability

At June 30, 2006, the following funds had deficit fund balances:

	Amount
Special Revenue Funds:	
Food Service	\$186,973
Entry Year Teachers	163
Ohio Reads Grant	3,133
Title I	4,282
Preschool Handicapped	159
Title VI-R	811

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).

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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.

Net Change in Fund Balance	
GAAP Basis	\$812,483
Net Adjustment for Revenue Accruals	369,663
Advances In	788,218
Net Adjustment for Expenditure Accruals	(482,241)
Advances Out	(443,500)
Adjustment for Encumbrances	(840,655)
Budget Basis	<u><u>\$203,968</u></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;

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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;
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.

Deposits

Custodial Credit Risk Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$2,635,524 of the School District's bank balance of \$2,835,524 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of June 30, 2006, the School District had a STAROhio investment with a fair value of \$14,628,530 and an average maturity of thirty-three days and they also hold a Bedford City School District Facilities Acquisition Manuscript Bond in the amount of \$150,000.

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 five years 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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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, 2015.

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 addresses credit risk.

Note 7 - Receivables

Receivables at June 30, 2006, 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.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio Reads Grants and Subsidies	\$2,454
Title VI-B Grants and Subsidies	64,648
Federal Lunch Subsidy	131,469
Vocational Education Grants and Subsidies	1,083
Title I Grants and Subsidies	139,567
Title V Grants and Subsidies	7,260
Drug Free Schools Grants and Subsidies	8,967
Preschool Handicapped Grants and Subsidies	5,884
Title VI-R Grants and Subsidies	16,435
Miscellaneous Federal Grants and Subsidies	8,130
Tri-C Substitute Reimbursement	840
Total	\$386,737

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 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

Public utility property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 become a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 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 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2006 tangible personal property tax settlement was not received until July 2006.

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, 2006, are available to finance fiscal year 2006 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, 2006 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, 2006 was \$2,704,757 in the general fund, \$125,823 in the bond retirement debt service fund, and \$48,659 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2005, was \$2,986,480 in the general fund, \$346,149 in the bond retirement debt service fund, and \$169,794 in the permanent improvement capital projects fund. The 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 2006 taxes were collected are:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

	2005 Second Half Collections		2006 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$370,753,750	43.33 %	\$373,351,700	43.67 %
Other Real Estate	275,375,240	32.19	275,230,390	32.19
Public Utility Personal	37,778,070	4.42	35,524,420	4.16
Tangible Personal Property	<u>171,667,792</u>	<u>20.06</u>	<u>170,826,004</u>	<u>19.98</u>
Total	<u>\$855,574,852</u>	<u>100.00 %</u>	<u>\$854,932,514</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$67.40		\$67.40	

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance 6/30/05	Additions	Deletions	Balance 6/30/06
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,283,183	\$0	\$0	\$2,283,183
Construction in Progress	<u>0</u>	<u>2,180,192</u>	<u>0</u>	<u>2,180,192</u>
Total Capital Assets, not being depreciated	<u>2,283,183</u>	<u>2,180,192</u>	<u>0</u>	<u>4,463,375</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	34,122,011	507,151	0	34,629,162
Furniture and Equipment	3,797,849	198,896	0	3,996,745
Vehicles	<u>4,303,828</u>	<u>463,628</u>	<u>(373,664)</u>	<u>4,393,792</u>
Total Capital Assets, being depreciated	<u>42,223,688</u>	<u>1,169,675</u>	<u>(373,664)</u>	<u>43,019,699</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,730,361)	(886,758)	0	(21,617,119)
Furniture and Equipment	(1,859,237)	(237,507)	0	(2,096,744)
Vehicles	<u>(2,643,729)</u>	<u>(184,525)</u>	<u>353,058</u>	<u>(2,475,196)</u>
Total Accumulated Depreciation	<u>(25,233,327)</u>	<u>(1,308,790) *</u>	<u>353,058</u>	<u>(26,189,059)</u>
Total Capital Assets, being depreciated, net	<u>16,990,361</u>	<u>(139,115)</u>	<u>(20,606)</u>	<u>16,830,640</u>
Governmental Activities Capital Assets, Net	<u>\$19,273,544</u>	<u>\$2,041,077</u>	<u>(\$20,606)</u>	<u>\$21,294,015</u>

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$636,679
Special	30,802
Vocational	34,927
Support Services:	
Pupil	10,111
Instructional Staff	19,486
Administration	8,583
Fiscal	3,985
Business	36,174
Operation and Maintenance of Plant	164,330
Pupil Transportation	177,393
Central	4,550
Operation of Non-Instructional Services:	
Food Service Operations	3,579
Other Non-Instructional Services	45,191
Extracurricular Activities	<u>133,000</u>
Total Depreciation Expense	<u><u>\$1,308,790</u></u>

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, 2006.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

Note 11 - Interfund Balances

Interfund balances at June 30, 2006, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General Fund
<i>Governmental Activities</i>	
Non-Major Funds	
Food Service	\$300,000
Summer School	25,000
Ohio Reads Grant	5,000
Title VI-B	13,750
Title I	84,000
Title V	1,000
Drug Free Schools	2,000
Preschool Handicapped	4,200
Title VI-R	1,050
Miscellaneous Federal Grants	7,500
<i>Total Governmental Activities</i>	<i>\$443,500</i>

The interfund payables are advances for grant monies that were not received by fiscal year end. The School District expects to receive the grant monies and repay the advances within the next fiscal year.

The School District transferred the following amounts to various funds during fiscal year 2006.

Transfers In	Transfers Out General Fund
Non-Major Funds	
Summer School	\$9,820
District Managed Student Activities	106,593
DPIA/Poverty Aid	494
Title III	56
<i>Total Governmental Activities</i>	<i>\$116,963</i>

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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 2006, 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 \$95,427,763 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, 2006, 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.

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 - \$25.00 (single), \$75.02 (family); drug - \$66.28 (single), \$186.16 (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 \$65,970 reported in the self insurance fund at June 30, 2006, 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:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2005	\$60,267	\$916,646	\$904,312	\$72,601
2006	72,601	1,118,139	1,124,770	65,970

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 235 days (certificated employees), 250 days (non-certificated employees) and 355 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 (SERS), a cost-sharing multiple-employer defined benefit 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 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 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org.

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 2006, 10.58 percent of annual covered salary was the portion 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, 2006, 2005, and 2004 were \$950,237, \$854,615, and \$676,802, respectively; 73.2 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

B. State Teachers Retirement System of Ohio

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 stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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 divided by 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 of 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.

For the fiscal year ended June 30, 2006, 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. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. 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 STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004, were \$2,424,468, \$2,309,483, and \$2,270,623, respectively; 79.0 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$28,655 made by the School District and \$54,086 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-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio 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 Ohio. All benefit recipients pay a portion of the 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, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$186,498 for fiscal year 2006.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$586,830.

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 the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

Note 16 - 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 17 - 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve
Set-aside Reserve Balances as of June 30, 2005	(\$781,722)	\$0
Current Year Set-aside Requirement	563,087	563,087
Qualifying Disbursements	(721,766)	(1,725,054)
Totals	(\$940,401)	(\$1,161,967)
Set-aside Balance Carried Forward to Future Fiscal Years	(\$940,401)	\$0
Set-aside Reserve Balances as of June 30, 2006	\$0	\$0

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 18 - 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
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
Energy Conservation Improvement Bonds	2006	3,562,114	4.11%	October 15, 2020
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:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

	Principal Outstanding 6/30/05	Additions	(Reductions)	Principal Outstanding 6/30/06	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
Energy Conservation Improvement	\$80,000	\$0	(\$80,000)	\$0	\$0
Facilities Acquisition	165,000	0	(15,000)	150,000	15,000
Serial Library and Facilities Refunding Bonds	7,500,000	0	(885,000)	6,615,000	950,000
Unamortized Premium on Serial Bonds	474,564	0	(102,623)	371,941	0
Unamortized Loss on Refunding on Serial Bonds	(541,368)	117,069	0	(424,299)	0
Capital Appreciation Refunding Bonds	536,300	0	0	536,300	0
Accretion on Capital Appreciation Bonds	228,045	80,763	0	308,808	0
Energy Conservation Improvement	0	3,562,114	0	3,562,114	225,832
<i>Total General Obligation Bonds</i>	<u>8,442,541</u>	<u>3,759,946</u>	<u>(1,082,623)</u>	<u>11,119,864</u>	<u>1,190,832</u>
Maintenance Facilities Loan	506,000	0	(54,000)	452,000	57,000
Astro Turf Lease	330,000	0	(46,000)	284,000	46,000
Telecommunications Lease	382,854	0	(104,647)	278,207	108,372
Compensated Absences	2,428,973	166,430	(37,660)	2,557,743	970,150
Total Governmental Activities	<u>\$12,090,368</u>	<u>\$3,926,376</u>	<u>(\$1,324,930)</u>	<u>\$14,691,814</u>	<u>\$2,372,354</u>

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 telecommunications leases will be paid from the general fund. The astro turf lease will be paid from the special enterprise special revenue 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 \$80,763 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, 2006, \$8,495,000 of bonds outstanding were considered defeased.

The overall debt margin of the School District as of June 30, 2006, was \$54,542,347 with an unvoted debt margin of \$522,705. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2006, are as follows:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2007	\$1,190,832	\$381,391	\$0	\$0
2008	1,211,075	386,060	0	0
2009	1,283,509	335,938	0	0
2010	1,351,248	277,312	0	0
2011	1,444,305	209,342	0	0
2012-2016	2,434,446	477,728	536,300	1,128,700
2017-2021	1,411,699	178,536	0	0
Total	<u>\$10,327,114</u>	<u>\$2,246,307</u>	<u>\$536,300</u>	<u>\$1,128,700</u>

	Maintenance Facility Loan		Total	
	Principal	Interest	Principal	Interest
2007	\$57,000	\$18,778	\$1,247,832	\$400,169
2008	59,000	15,346	1,270,075	401,406
2009	62,000	12,799	1,345,509	348,737
2010	64,000	10,147	1,415,248	287,459
2011	67,000	7,390	1,511,305	216,732
2012-2016	143,000	6,022	3,113,746	1,612,450
2017-2021	0	0	1,411,699	178,536
Total	<u>\$452,000</u>	<u>\$70,482</u>	<u>\$11,315,414</u>	<u>\$3,445,489</u>

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 \$70,469 to LNOCA during the fiscal year 2006 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006, the School District paid \$800 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director/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.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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	(38,500)
Furniture and Equipment	(53,312)
<i>Total Accumulated Depreciation</i>	<u>(91,812)</u>
 <i>Governmental Activities Capital Assets, Net</i>	 <u><u>\$826,305</u></u>

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, 2006.

Fiscal Year Ending June, 30,	<u>Governmental Activities</u>
2007	\$172,932
2008	171,527
2009	113,379
2010	53,111
2011	51,343
2012	49,466
	<u>611,758</u>
Total	611,758
Less: Amount Representing Interest	<u>(49,551)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$562,207</u></u>

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.

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.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

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 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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$719,906	\$1,604,585	\$1,985,794	\$4,310,285
Accounts Receivable	1,500	0	0	1,500
Intergovernmental Receivable	385,897	0	0	385,897
Inventory Held for Resale	20,262	0	0	20,262
Materials and Supplies Inventory	5,036	0	0	5,036
Taxes Receivable	0	1,249,567	581,635	1,831,202
<i>Total Assets</i>	<u>\$1,132,601</u>	<u>\$2,854,152</u>	<u>\$2,567,429</u>	<u>\$6,554,182</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$43,996	\$0	\$180,093	\$224,089
Accrued Wages and Benefits Payable	152,639	0	0	152,639
Intergovernmental Payable	129,223	0	0	129,223
Interfund Payable	443,500	0	0	443,500
Deferred Revenue	116,961	1,101,940	518,244	1,737,145
<i>Total Liabilities</i>	<u>886,319</u>	<u>1,101,940</u>	<u>698,337</u>	<u>2,686,596</u>
Fund Balances:				
Reserved for Encumbrances	192,943	0	1,546,907	1,739,850
Reserved for Property Taxes	0	125,823	48,659	174,482
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	53,339	0	0	53,339
Debt Service Funds	0	1,626,389	0	1,626,389
Capital Projects Funds	0	0	273,526	273,526
<i>Total Fund Balances</i>	<u>246,282</u>	<u>1,752,212</u>	<u>1,869,092</u>	<u>3,867,586</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,132,601</u>	<u>\$2,854,152</u>	<u>\$2,567,429</u>	<u>\$6,554,182</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$0	\$953,237	\$468,194	\$1,421,431
Intergovernmental	3,489,159	93,543	58,971	3,641,673
Interest	1,077	0	33,053	34,130
Charges for Services	817,551	0	0	817,551
Tuition and Fees	35,646	0	0	35,646
Rentals	29,440	0	0	29,440
Extracurricular Activities	195,733	0	0	195,733
Contributions and Donations	30,082	0	0	30,082
Miscellaneous	82,163	0	53,313	135,476
<i>Total Revenues</i>	<u>4,680,851</u>	<u>1,046,780</u>	<u>613,531</u>	<u>6,341,162</u>
Expenditures				
Current:				
Instruction:				
Regular	569,311	0	0	569,311
Special	1,134,547	0	0	1,134,547
Vocational	172,661	0	0	172,661
Support Services:				
Pupil	200,723	0	0	200,723
Instructional Staff	149,164	0	0	149,164
Administration	429,406	0	0	429,406
Business	3,859	0	0	3,859
Operation and Maintenance of Plant	267	0	0	267
Pupil Transportation	4,827	0	0	4,827
Central	2,682	0	0	2,682
Operation of Non-Instructional Services:				
Food Service Operations	1,459,746	0	0	1,459,746
Other Non-Instructional Services	408,581	0	0	408,581
Extracurricular Activities	228,341	0	0	228,341
Capital Outlay	0	0	2,737,132	2,737,132
Debt Service:				
Principal Retirement	46,000	885,000	0	931,000
Interest and Fiscal Charges	10,942	313,575	0	324,517
<i>Total Expenditures</i>	<u>4,821,057</u>	<u>1,198,575</u>	<u>2,737,132</u>	<u>8,756,764</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(140,206)</u>	<u>(151,795)</u>	<u>(2,123,601)</u>	<u>(2,415,602)</u>
Other Financing Sources				
General Obligation Bonds Issued	0	0	3,562,114	3,562,114
Transfers In	116,963	0	0	116,963
<i>Total Other Financing Sources</i>	<u>116,963</u>	<u>0</u>	<u>3,562,114</u>	<u>3,679,077</u>
<i>Net Change in Fund Balances</i>	(23,243)	(151,795)	1,438,513	1,263,475
<i>Fund Balances Beginning of Year</i>	<u>269,525</u>	<u>1,904,007</u>	<u>430,579</u>	<u>2,604,111</u>
<i>Fund Balances End of Year</i>	<u>\$246,282</u>	<u>\$1,752,212</u>	<u>\$1,869,092</u>	<u>\$3,867,586</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Food Service	Summer School	Adult and Continuing Education	Recreation
Assets				
Equity in Pooled Cash and Cash Equivalents	\$73,479	\$49,867	\$23,017	\$9,656
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	131,469	0	0	0
Inventory Held for Resale	20,262	0	0	0
Materials and Supplies Inventory	5,036	0	0	0
<i>Total Assets</i>	<u>\$230,246</u>	<u>\$49,867</u>	<u>\$23,017</u>	<u>\$9,656</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	35,642	0	0	0
Intergovernmental Payable	81,577	5,980	0	751
Interfund Payable	300,000	25,000	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>417,219</u>	<u>30,980</u>	<u>0</u>	<u>751</u>
Fund Balances				
Reserved for Encumbrances	4,500	31	0	0
Unreserved, Undesignated (Deficit)	<u>(191,473)</u>	<u>18,856</u>	<u>23,017</u>	<u>8,905</u>
<i>Total Fund Balances (Deficit)</i>	<u>(186,973)</u>	<u>18,887</u>	<u>23,017</u>	<u>8,905</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$230,246</u>	<u>\$49,867</u>	<u>\$23,017</u>	<u>\$9,656</u>

Public School Support	Local Grants	Special Enterprise	District Managed Student Activities	Auxiliary Services
\$101,034	\$51,919	\$132,294	\$17,415	\$90,569
1,500	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$102,534</u>	<u>\$51,919</u>	<u>\$132,294</u>	<u>\$17,415</u>	<u>\$90,569</u>
\$3,445	\$0	\$0	\$5,521	\$6,644
0	0	0	0	1,517
300	24	0	0	4,879
0	0	0	0	0
0	0	0	0	0
<u>3,745</u>	<u>24</u>	<u>0</u>	<u>5,521</u>	<u>13,040</u>
10,130	964	0	1,447	48,256
<u>88,659</u>	<u>50,931</u>	<u>132,294</u>	<u>10,447</u>	<u>29,273</u>
<u>98,789</u>	<u>51,895</u>	<u>132,294</u>	<u>11,894</u>	<u>77,529</u>
<u>\$102,534</u>	<u>\$51,919</u>	<u>\$132,294</u>	<u>\$17,415</u>	<u>\$90,569</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2006

	Education Management Information Systems	Entry Year Teachers	SchoolNet Professional Development	Ohio Reads Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,840	\$0	\$2,055	\$1,964
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	2,454
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$6,840</u>	<u>\$0</u>	<u>\$2,055</u>	<u>\$4,418</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$1,117	\$0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	163	0	97
Interfund Payable	0	0	0	5,000
Deferred Revenue	0	0	0	2,454
<i>Total Liabilities</i>	<u>0</u>	<u>163</u>	<u>1,117</u>	<u>7,551</u>
Fund Balances				
Reserved for Encumbrances	0	0	602	1,852
Unreserved, Undesignated (Deficit)	6,840	(163)	336	(4,985)
<i>Total Fund Balances (Deficit)</i>	<u>6,840</u>	<u>(163)</u>	<u>938</u>	<u>(3,133)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,840</u>	<u>\$0</u>	<u>\$2,055</u>	<u>\$4,418</u>

<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>
\$45,649	\$15,736	\$84,140	\$505	\$1,317
0	0	0	0	0
64,648	1,083	139,567	7,260	8,967
0	0	0	0	0
0	0	0	0	0
<u>\$110,297</u>	<u>\$16,819</u>	<u>\$223,707</u>	<u>\$7,765</u>	<u>\$10,284</u>
\$2,589	\$8,800	\$10,910	\$0	\$870
51,072	0	53,016	0	0
12,555	0	19,146	0	0
13,750	0	84,000	1,000	2,000
26,675	1,083	60,917	6,765	7,191
<u>106,641</u>	<u>9,883</u>	<u>227,989</u>	<u>7,765</u>	<u>10,061</u>
43,011	3	73,204	190	447
(39,355)	6,933	(77,486)	(190)	(224)
<u>3,656</u>	<u>6,936</u>	<u>(4,282)</u>	<u>0</u>	<u>223</u>
<u>\$110,297</u>	<u>\$16,819</u>	<u>\$223,707</u>	<u>\$7,765</u>	<u>\$10,284</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2006

	Preschool Handicapped	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,973	\$2,251	\$7,226	\$719,906
Accounts Receivable	0	0	0	1,500
Intergovernmental Receivable	5,884	16,435	8,130	385,897
Inventory Held for Resale	0	0	0	20,262
Materials and Supplies Inventory	0	0	0	5,036
<i>Total Assets</i>	<u>\$8,857</u>	<u>\$18,686</u>	<u>\$15,356</u>	<u>\$1,132,601</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,050	\$3,050	\$43,996
Accrued Wages and Benefits Payable	0	11,392	0	152,639
Intergovernmental Payable	508	3,243	0	129,223
Interfund Payable	4,200	1,050	7,500	443,500
Deferred Revenue	4,308	2,762	4,806	116,961
<i>Total Liabilities</i>	<u>9,016</u>	<u>19,497</u>	<u>15,356</u>	<u>886,319</u>
Fund Balances				
Reserved for Encumbrances	2,968	1,172	4,166	192,943
Unreserved, Undesignated (Deficit)	<u>(3,127)</u>	<u>(1,983)</u>	<u>(4,166)</u>	<u>53,339</u>
<i>Total Fund Balances (Deficit)</i>	<u>(159)</u>	<u>(811)</u>	<u>0</u>	<u>246,282</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,857</u>	<u>\$18,686</u>	<u>\$15,356</u>	<u>\$1,132,601</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, 2006

	Food Service	Summer School	Adult and Continuing Education	Recreation
Revenues				
Intergovernmental	\$610,070	\$3,500	\$0	\$0
Interest	0	0	0	0
Charges for Services	812,352	0	0	5,199
Tuition and Fees	0	30,420	0	0
Rentals	0	0	0	4,090
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	42,485	0	0	0
<i>Total Revenues</i>	<u>1,464,907</u>	<u>33,920</u>	<u>0</u>	<u>9,289</u>
Expenditures				
Current:				
Instruction:				
Regular	0	41,929	0	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	7,111	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	4,827	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,459,746	0	0	0
Other Non-Instructional Services	0	0	0	8,613
Extracurricular Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>1,459,746</u>	<u>53,867</u>	<u>0</u>	<u>8,613</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,161</u>	<u>(19,947)</u>	<u>0</u>	<u>676</u>
Other Financing Sources (Uses)				
Transfers In	0	9,820	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>9,820</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,161	(10,127)	0	676
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(192,134)</u>	<u>29,014</u>	<u>23,017</u>	<u>8,229</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$186,973)</u>	<u>\$18,887</u>	<u>\$23,017</u>	<u>\$8,905</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, 2006

	Public School Support	Local Grants	Special Enterprise	District Managed Student Activities
Revenues				
Intergovernmental	\$0	\$31,716	\$0	\$0
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	5,226	0	0	0
Rentals	0	0	25,350	0
Extracurricular Activities	102,032	0	0	93,701
Contributions and Donations	11,305	6,141	0	12,636
Miscellaneous	39,678	0	0	0
<i>Total Revenues</i>	<u>158,241</u>	<u>37,857</u>	<u>25,350</u>	<u>106,337</u>
Expenditures				
Current:				
Instruction:				
Regular	132,795	2,612	0	0
Special	0	0	0	0
Vocational	0	14,003	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	2,056	3,530	0	0
Administration	1,072	299,976	0	0
Business	3,859	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	0	0	0	0
Other Non-Instructional Services	0	1,597	0	0
Extracurricular Activities	1,779	0	0	226,562
Debt Service:				
Principal Retirement	0	0	46,000	0
Interest and Fiscal Charges	0	0	10,942	0
<i>Total Expenditures</i>	<u>141,561</u>	<u>321,718</u>	<u>56,942</u>	<u>226,562</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,680</u>	<u>(283,861)</u>	<u>(31,592)</u>	<u>(120,225)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	106,593
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>106,593</u>
<i>Net Change in Fund Balances</i>	16,680	(283,861)	(31,592)	(13,632)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>82,109</u>	<u>335,756</u>	<u>163,886</u>	<u>25,526</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$98,789</u>	<u>\$51,895</u>	<u>\$132,294</u>	<u>\$11,894</u>

Auxiliary Services	Education Management Information Systems	Entry Year Teachers	Disadvantaged Pupil Impact Aid	Data Communications	SchoolNet Professional Development
\$376,075	\$12,975	\$9,800	\$250,537	\$21,000	\$3,925
1,077	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
377,152	12,975	9,800	250,537	21,000	3,925
0	0	0	126,866	0	3,825
0	0	0	122,336	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	12,975	9,830	0	21,000	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
340,259	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
340,259	12,975	9,830	249,202	21,000	3,825
36,893	0	(30)	1,335	0	100
0	0	0	494	0	0
0	0	0	0	0	0
0	0	0	494	0	0
36,893	0	(30)	1,829	0	100
40,636	6,840	(133)	(1,829)	0	838
\$77,529	\$6,840	(\$163)	\$0	\$0	\$938

(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, 2006

	Ohio Reads Grant	Summer Intervention	Vocational Education Enhancement	Title VI-B
Revenues				
Intergovernmental	\$29,122	\$20,924	\$1,905	\$1,068,338
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>29,122</u>	<u>20,924</u>	<u>1,905</u>	<u>1,068,338</u>
Expenditures				
Current:				
Instruction:				
Regular	28,687	7,764	0	0
Special	0	0	0	645,185
Vocational	0	0	1,905	67,700
Support Services:				
Pupil	0	0	0	113,331
Instructional Staff	3,945	0	0	2,301
Administration	0	0	0	117,957
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	0	0	0	0
Other Non-Instructional Services	1,961	0	0	20,841
Extracurricular Activities				
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>34,593</u>	<u>7,764</u>	<u>1,905</u>	<u>967,315</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,471)</u>	<u>13,160</u>	<u>0</u>	<u>101,023</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>	(5,471)	13,160	0	101,023
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,338</u>	<u>(13,160)</u>	<u>0</u>	<u>(97,367)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$3,133)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,656</u>

Vocational Education	Title III	Title I	Title V	Drug Free Schools	Preschool Handicapped
\$170,715	\$5,280	\$614,293	\$23,867	\$17,792	\$50,084
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>170,715</u>	<u>5,280</u>	<u>614,293</u>	<u>23,867</u>	<u>17,792</u>	<u>50,084</u>
0	5,336	67,211	20,650	11,925	0
0	0	325,396	0	0	41,630
89,053	0	0	0	0	0
22,780	0	64,612	0	0	0
11,333	0	57,255	0	4,228	3,337
3,290	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	267	0
0	0	0	0	0	0
2,682	0	0	0	0	0
0	0	0	0	0	0
0	0	29,955	1,850	47	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>129,138</u>	<u>5,336</u>	<u>544,429</u>	<u>22,500</u>	<u>16,467</u>	<u>44,967</u>
<u>41,577</u>	<u>(56)</u>	<u>69,864</u>	<u>1,367</u>	<u>1,325</u>	<u>5,117</u>
0	56	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>56</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
41,577	0	69,864	1,367	1,325	5,117
<u>(34,641)</u>	<u>0</u>	<u>(74,146)</u>	<u>(1,367)</u>	<u>(1,102)</u>	<u>(5,276)</u>
<u>\$6,936</u>	<u>\$0</u>	<u>(\$4,282)</u>	<u>\$0</u>	<u>\$223</u>	<u>(\$159)</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, 2006

	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$155,007	\$12,234	\$3,489,159
Interest	0	0	1,077
Charges for Services	0	0	817,551
Tuition and Fees	0	0	35,646
Rentals	0	0	29,440
Extracurricular Activities	0	0	195,733
Contributions and Donations	0	0	30,082
Miscellaneous	0	0	82,163
<i>Total Revenues</i>	<u>155,007</u>	<u>12,234</u>	<u>4,680,851</u>
Expenditures			
Current:			
Instruction:			
Regular	116,479	3,232	569,311
Special	0	0	1,134,547
Vocational	0	0	172,661
Support Services:			
Pupil	0	0	200,723
Instructional Staff	15,046	2,328	149,164
Administration	0	0	429,406
Business	0	0	3,859
Operation and Maintenance of Plant	0	0	267
Pupil Transportation	0	0	4,827
Central	0	0	2,682
Operation of Non-Instructional Services:			
Food Service Operations	0	0	1,459,746
Other Non-Instructional Services	2,312	1,146	408,581
Extracurricular Activities			228,341
Debt Service:			
Principal Retirement	0	0	46,000
Interest and Fiscal Charges	0	0	10,942
<i>Total Expenditures</i>	<u>133,837</u>	<u>6,706</u>	<u>4,821,057</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>21,170</u>	<u>5,528</u>	<u>(140,206)</u>
Other Financing Sources (Uses)			
Transfers In	0	0	116,963
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>116,963</u>
<i>Net Change in Fund Balances</i>	21,170	5,528	(23,243)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(21,981)</u>	<u>(5,528)</u>	<u>269,525</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$811)</u>	<u>\$0</u>	<u>\$246,282</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006

	Permanent Improvement	Building	Capital Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$374,134	\$1,460,752	\$150,844	\$64	\$1,985,794
Taxes Receivable	581,635	0	0	0	581,635
<i>Total Assets</i>	<u>\$955,769</u>	<u>\$1,460,752</u>	<u>\$150,844</u>	<u>\$64</u>	<u>\$2,567,429</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,987	\$178,106	\$0	\$0	\$180,093
Deferred Revenue	518,244	0	0	0	518,244
<i>Total Liabilities</i>	<u>520,231</u>	<u>178,106</u>	<u>0</u>	<u>0</u>	<u>698,337</u>
Fund Balances:					
Reserved for Encumbrances	336,168	1,210,739	0	0	1,546,907
Reserved for Property Taxes	48,659	0	0	0	48,659
Unreserved, Undesignated	50,711	71,907	150,844	64	273,526
<i>Total Fund Balances</i>	<u>435,538</u>	<u>1,282,646</u>	<u>150,844</u>	<u>64</u>	<u>1,869,092</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$955,769</u>	<u>\$1,460,752</u>	<u>\$150,844</u>	<u>\$64</u>	<u>\$2,567,429</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, 2006

	Permanent Improvement	Building	Capital Replacement	Vocational Equipment	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues						
Taxes	\$468,194	\$0	\$0	\$0	\$0	\$468,194
Intergovernmental	58,971	0	0	0	0	58,971
Interest	0	33,053	0	0	0	33,053
Miscellaneous	0	53,313	0	0	0	53,313
<i>Total Revenues</i>	527,165	86,366	0	0	0	613,531
Expenditures						
Capital Outlay	322,667	2,407,569	0	5,134	1,762	2,737,132
<i>Excess of Revenues Over (Under) Expenditures</i>	204,498	(2,321,203)	0	(5,134)	(1,762)	(2,123,601)
Other Financing Sources						
General Obligation Bonds Issued	0	3,562,114	0	0	0	3,562,114
<i>Net Change in Fund Balances</i>	204,498	1,240,911	0	(5,134)	(1,762)	1,438,513
<i>Fund Balances</i>						
<i>Beginning of Year</i>	231,040	41,735	150,844	5,134	1,826	430,579
<i>Fund Balances End of Year</i>	\$435,538	\$1,282,646	\$150,844	\$0	\$64	\$1,869,092

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, 2006

	Self Insurance	Computer Network	Total Internal Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,371,688	\$578	\$1,372,266
Liabilities			
Claims Payable	65,970	0	65,970
Net Assets			
Unrestricted	<u>\$1,305,718</u>	<u>\$578</u>	<u>\$1,306,296</u>

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, 2006*

	Self Insurance	Computer Network	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$1,243,330	\$0	\$1,243,330
Operating Expenses			
Purchased Services	39,459	0	39,459
Claims	1,118,139	0	1,118,139
<i>Total Operating Expenses</i>	1,157,598	0	1,157,598
<i>Change in Net Assets</i>	85,732	0	85,732
<i>Net Assets Beginning of Year</i>	1,219,986	578	1,220,564
<i>Net Assets End of Year</i>	\$1,305,718	\$578	\$1,306,296

Bedford City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006

	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	\$1,243,330	\$0	\$1,243,330
Cash Payments for Purchased Services	(39,459)	0	(39,459)
Cash Payments for Claims	(1,124,770)	0	(1,124,770)
<i>Net Increase in Cash and Cash Equivalents</i>	79,101	0	79,101
<i>Cash and Cash Equivalents Beginning of Year</i>	1,292,587	578	1,293,165
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,371,688</u>	<u>\$578</u>	<u>\$1,372,266</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$85,732	\$0	\$85,732
<i>Adjustments:</i>			
Increase in Claims Payable	(6,631)	0	(6,631)
<i>Net Cash Provided by Operating Activities</i>	<u>\$79,101</u>	<u>\$0</u>	<u>\$79,101</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, 2006

	Beginning Balance June 30, 2005	Additions	Reductions	Ending Balance June 30, 2006
<i>Student Activities Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$37,872</u>	<u>\$89,588</u>	<u>\$92,252</u>	<u>\$35,208</u>
Liabilities				
Due to Students	<u>\$37,872</u>	<u>\$89,588</u>	<u>\$92,252</u>	<u>\$35,208</u>

**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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$32,661,816	\$35,329,556	\$34,301,100	(\$1,028,456)
Intergovernmental	7,672,466	7,999,550	8,057,544	57,994
Interest	690,298	671,975	724,944	52,969
Tuition and Fees	1,241,830	1,266,564	1,303,254	36,690
Rentals	3,347	4,000	3,515	(485)
Miscellaneous	280,808	269,500	294,902	25,402
<i>Total Revenues</i>	<u>42,550,565</u>	<u>45,541,145</u>	<u>44,685,259</u>	<u>(855,886)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,704,885	10,890,362	10,663,623	226,739
Fringe Benefits	3,629,569	3,692,456	3,458,383	234,073
Purchased Services	1,593,934	1,624,719	1,627,984	(3,265)
Materials and Supplies	666,141	894,023	656,178	237,845
Capital Outlay - New	53,683	54,613	51,953	2,660
Capital Outlay - Replacement	16,863	19,026	18,511	515
Total Regular	<u>16,665,075</u>	<u>17,175,199</u>	<u>16,476,632</u>	<u>698,567</u>
Special:				
Salaries and Wages	3,316,268	3,373,727	3,373,726	1
Fringe Benefits	934,639	950,833	950,833	0
Purchased Services	31,106	32,227	31,858	369
Materials and Supplies	8,340	9,993	8,348	1,645
Other	4,374	5,394	5,256	138
Total Special	<u>4,294,727</u>	<u>4,372,174</u>	<u>4,370,021</u>	<u>2,153</u>
Vocational:				
Salaries and Wages	931,621	947,762	947,761	1
Fringe Benefits	365,267	371,596	371,595	1
Purchased Services	7,372	8,133	7,613	520
Materials and Supplies	31,252	34,588	33,819	769
Capital Outlay - New	14,106	14,350	14,350	0
Capital Outlay - Replacement	6,085	6,190	6,190	0
Total Vocational	<u>1,355,703</u>	<u>1,382,619</u>	<u>1,381,328</u>	<u>1,291</u>
Total Instruction	<u>\$22,315,505</u>	<u>\$22,929,992</u>	<u>\$22,227,981</u>	<u>\$702,011</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$1,646,524	\$1,675,053	\$1,659,978	\$15,075
Fringe Benefits	473,138	481,336	480,553	783
Purchased Services	381,381	442,312	435,792	6,520
Materials and Supplies	93,570	106,154	104,288	1,866
Capital Outlay - New	1,334	1,357	0	1,357
Other	575	1,116	1,116	0
Total Pupils	2,596,522	2,707,328	2,681,727	25,601
Instructional Staff:				
Salaries and Wages	921,029	936,987	936,986	1
Fringe Benefits	344,876	350,852	350,852	0
Purchased Services	154,001	182,258	165,389	16,869
Materials and Supplies	144,126	168,142	155,028	13,114
Capital Outlay - New	12,644	30,949	30,887	62
Capital Outlay - Replacement	1,117	1,136	1,136	0
Other	6,695	7,283	1,839	5,444
Total Instructional Staff	1,584,488	1,677,607	1,642,117	35,490
Board of Education:				
Salaries and Wages	22,014	22,395	22,395	0
Fringe Benefits	27,103	27,573	27,573	0
Purchased Services	352,382	358,817	349,620	9,197
Materials and Supplies	565	575	384	191
Other	10,751	10,937	9,849	1,088
Total Board of Education	412,815	420,297	409,821	10,476
Administration:				
Salaries and Wages	2,298,169	2,337,988	2,337,987	1
Fringe Benefits	900,448	916,813	899,041	17,772
Purchased Services	249,146	267,187	188,223	78,964
Materials and Supplies	64,156	71,668	60,184	11,484
Capital Outlay - New	23,981	24,875	21,260	3,615
Other	103,385	108,599	96,160	12,439
Total Administration	\$3,639,285	\$3,727,130	\$3,602,855	\$124,275

(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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$323,245	\$328,846	\$328,845	\$1
Fringe Benefits	155,278	157,968	157,968	0
Purchased Services	132,911	140,465	130,782	9,683
Materials and Supplies	13,487	16,040	14,031	2,009
Capital Outlay - New	5,161	5,250	1,451	3,799
Capital Outlay - Replacement	5,161	7,929	3,164	4,765
Other	672,223	685,902	597,434	88,468
Total Fiscal	1,307,466	1,342,400	1,233,675	108,725
Business:				
Salaries and Wages	283,082	287,987	287,986	1
Fringe Benefits	101,435	103,193	103,193	0
Purchased Services	202,101	301,137	275,706	25,431
Materials and Supplies	19,364	20,278	19,194	1,084
Capital Outlay - New	81,141	189,932	189,133	799
Other	2,570	2,615	1,984	631
Total Business	689,693	905,142	877,196	27,946
Operation and Maintenance of Plant:				
Salaries and Wages	3,215,948	3,271,669	2,571,607	700,062
Fringe Benefits	1,140,675	1,160,939	1,160,873	66
Purchased Services	3,105,208	3,284,519	2,781,278	503,241
Materials and Supplies	174,064	200,253	197,888	2,365
Capital Outlay - New	55,882	56,850	56,773	77
Capital Outlay - Replacement	44,135	67,453	67,444	9
Other	4,753	4,835	4,835	0
Total Operation and Maintenance of Plant	7,740,665	8,046,518	6,840,698	1,205,820
Pupil Transportation:				
Salaries and Wages	2,135,895	2,172,902	2,172,901	1
Fringe Benefits	582,519	592,921	592,751	170
Purchased Services	324,636	368,141	354,794	13,347
Materials and Supplies	498,868	578,882	553,373	25,509
Capital Outlay - New	575	585	0	585
Capital Outlay - Replacement	429,557	440,300	440,055	245
Other	2,761	3,110	3,102	8
Total Pupil Transportation	\$3,974,811	\$4,156,841	\$4,116,976	\$39,865

(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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Central:				
Salaries and Wages	\$152,431	\$155,072	\$155,072	\$0
Fringe Benefits	59,253	60,280	60,279	1
Purchased Services	57,980	87,683	87,346	337
Materials and Supplies	3,352	3,885	3,437	448
Capital Outlay - New	1,966	2,000	1,995	5
Capital Outlay - Replacement	1,671	1,700	1,647	53
Total Central	276,653	310,620	309,776	844
Total Support Services	22,222,398	23,293,883	21,714,841	1,579,042
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	40,482	60,183	60,183	0
	1,899	1,932	1,932	0
Total Academic and Subject Oriented	42,381	62,115	62,115	0
Occupation Oriented:				
Salaries and Wages	4,988	5,074	5,074	0
Fringe Benefits	269	274	274	0
Total Occupation Oriented	5,257	5,348	5,348	0
Sports Oriented:				
Salaries and Wages	334,125	339,914	339,914	0
Fringe Benefits	22,363	22,751	22,750	1
Total Sports Oriented	356,488	362,665	362,664	1
School and Public Service Oriented:				
Salaries and Wages	29,766	30,281	30,281	0
Fringe Benefits	2,583	2,628	2,628	0
Total School and Public Service Oriented	32,349	32,909	32,909	0
Total Extracurricular Activities	436,475	463,037	463,036	1
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	148,001	150,565	13,565	137,000
Debt Service:				
Principal Retirement	251,109	253,647	253,647	0
Interest and Fiscal Charges	35,578	35,976	35,976	0
Total Debt Service	\$286,687	\$289,623	\$289,623	\$0

(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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Total Expenditures</i>	<u>\$45,409,066</u>	<u>\$47,127,100</u>	<u>\$44,709,046</u>	<u>\$2,418,054</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,858,501)</u>	<u>(1,585,955)</u>	<u>(23,787)</u>	<u>1,562,168</u>
Other Financing Sources (Uses)				
Advances In	1,421,982	788,218	788,218	0
Advances Out	(1,177,045)	(492,345)	(443,500)	48,845
Transfers Out	<u>(146,116)</u>	<u>(129,898)</u>	<u>(116,963)</u>	<u>12,935</u>
<i>Total Other Financing Sources (Uses)</i>	<u>98,821</u>	<u>165,975</u>	<u>227,755</u>	<u>61,780</u>
<i>Net Change in Fund Balance</i>	<u>(2,759,680)</u>	<u>(1,419,980)</u>	<u>203,968</u>	<u>1,623,948</u>
<i>Fund Balance Beginning of Year</i>	8,819,586	8,819,586	8,819,586	0
Prior Year Encumbrances Appropriated	<u>913,455</u>	<u>913,455</u>	<u>913,455</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,973,361</u></u>	<u><u>\$8,313,061</u></u>	<u><u>\$9,937,009</u></u>	<u><u>\$1,623,948</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$474,584	\$7,000	\$529,081	\$522,081
Charges for Services	728,677	1,333,930	812,352	(521,578)
Miscellaneous	38,109	42,000	42,485	485
<i>Total Revenues</i>	<u>1,241,370</u>	<u>1,382,930</u>	<u>1,383,918</u>	<u>988</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Services Operations:				
Salaries and Wages	526,782	589,471	589,471	0
Fringe Benefits	171,203	191,577	191,577	0
Purchased Services	69,139	77,941	12,190	65,751
Materials and Supplies	602,392	674,079	674,079	0
Capital Outlay - New	10,205	11,420	11,420	0
Capital Outlay - Replacement	1,609	1,800	1,800	0
<i>Total Expenditures</i>	<u>1,381,330</u>	<u>1,546,288</u>	<u>1,480,537</u>	<u>65,751</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(139,960)</u>	<u>(163,358)</u>	<u>(96,619)</u>	<u>66,739</u>
Other Financing Sources (Uses)				
Advances In	251,561	300,000	300,000	
Advances Out	(112,175)	(145,787)	(145,787)	0
<i>Total Other Financing Sources (Uses)</i>	<u>139,386</u>	<u>154,213</u>	<u>154,213</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(574)	(9,145)	57,594	66,739
<i>Fund Balance Beginning of Year</i>	10,810	10,810	10,810	0
Prior Year Encumbrances Appropriated	575	575	575	0
<i>Fund Balance End of Year</i>	<u>\$10,811</u>	<u>\$2,240</u>	<u>\$68,979</u>	<u>\$66,739</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,630	\$3,630	\$3,500	(\$130)
Tuition and Fees	31,545	31,545	30,420	(1,125)
<i>Total Revenues</i>	<u>35,175</u>	<u>35,175</u>	<u>33,920</u>	<u>(1,255)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	61,744	73,940	40,683	33,257
Fringe Benefits	6,790	8,131	5,751	2,380
Purchased Services	2,088	2,500	0	2,500
Materials and Supplies	3,199	3,831	824	3,007
Total Instruction	<u>73,821</u>	<u>88,402</u>	<u>47,258</u>	<u>41,144</u>
Support Services:				
Administration:				
Salaries and Wages	4,572	5,475	5,475	0
Fringe Benefits	711	851	587	264
Total Administration	<u>5,283</u>	<u>6,326</u>	<u>6,062</u>	<u>264</u>
Pupil Transportation:				
Salaries and Wages	4,030	4,827	4,827	0
Fringe Benefits	5,430	6,502	0	6,502
Total Pupil Transportation	<u>9,460</u>	<u>11,329</u>	<u>4,827</u>	<u>6,502</u>
Total Support Services	<u>14,743</u>	<u>17,655</u>	<u>10,889</u>	<u>6,766</u>
<i>Total Expenditures</i>	<u>88,564</u>	<u>106,057</u>	<u>58,147</u>	<u>47,910</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(53,389)</u>	<u>(70,882)</u>	<u>(24,227)</u>	<u>46,655</u>
Other Financing Sources (Uses)				
Advances In	25,000	25,000	25,000	0
Advances Out	(38,009)	(45,516)	(45,516)	0
Transfers In	9,825	9,825	9,820	(5)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,184)</u>	<u>(10,691)</u>	<u>(10,696)</u>	<u>(5)</u>
<i>Net Change in Fund Balance</i>	<u>(56,573)</u>	<u>(81,573)</u>	<u>(34,923)</u>	<u>46,650</u>
<i>Fund Balance Beginning of Year</i>	<u>84,759</u>	<u>84,759</u>	<u>84,759</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$28,186</u>	<u>\$3,186</u>	<u>\$49,836</u>	<u>\$46,650</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, 2006

	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, 2006

	<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	\$10,590	\$6,354	\$5,199	(\$1,155)
Rentals	9,410	5,646	4,620	(1,026)
<i>Total Revenue</i>	<u>20,000</u>	<u>12,000</u>	<u>9,819</u>	<u>(2,181)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	17,587	17,587	7,887	9,700
Fringe Benefits	1,213	1,213	1,211	2
Purchased Services	100	100	32	68
Materials and Supplies	100	100	0	100
Capital Outlay - New	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>9,130</u>	<u>10,870</u>
<i>Net Change in Fund Balance</i>	0	(8,000)	689	8,689
<i>Fund Balance Beginning of Year</i>	<u>8,967</u>	<u>8,967</u>	<u>8,967</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,967</u></u>	<u><u>\$967</u></u>	<u><u>\$9,656</u></u>	<u><u>\$8,689</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Tuition and Fees	\$5,668	\$5,235	\$5,226	(\$9)
Extracurricular Activities	110,662	102,200	102,032	(168)
Contributions and Donations	12,262	11,324	11,305	(19)
Miscellaneous	41,408	38,241	38,178	(63)
<i>Total Revenues</i>	<u>170,000</u>	<u>157,000</u>	<u>156,741</u>	<u>(259)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	76,835	73,020	70,864	2,156
Materials and Supplies	55,443	57,443	50,050	7,393
Capital Outlay - New	1,835	1,734	1,649	85
Capital Outlay - Replacement	66	62	0	62
Other	24,246	22,626	22,053	573
Total Regular	<u>158,425</u>	<u>154,885</u>	<u>144,616</u>	<u>10,269</u>
Vocational:				
Materials and Supplies	1,145	1,082	862	220
Total Instruction	<u>159,570</u>	<u>155,967</u>	<u>145,478</u>	<u>10,489</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	2,505	2,039	1,195	844
Fringe Benefits	696	603	25	578
Purchased Services	518	435	0	435
Materials and Supplies	1,178	1,004	836	168
Other	17	16	0	16
Total Instructional Staff	<u>\$4,914</u>	<u>\$4,097</u>	<u>\$2,056</u>	<u>\$2,041</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Administration:				
Purchased Services	\$245	\$1,177	\$0	\$1,177
Materials and Supplies	2,199	4,913	1,107	3,806
Total Administration	<u>2,444</u>	<u>6,090</u>	<u>1,107</u>	<u>4,983</u>
Business:				
Materials and Supplies	5,054	4,712	3,859	853
Capital Outlay - New	130	123	0	123
Total Business	<u>5,184</u>	<u>4,835</u>	<u>3,859</u>	<u>976</u>
Central:				
Other	571	540	0	540
Total Support Services	<u>13,113</u>	<u>15,562</u>	<u>7,022</u>	<u>8,540</u>
Extracurricular Activities:				
School and Public Service Oriented:				
Other	7,187	8,341	5,327	3,014
<i>Total Expenditures</i>	<u>179,870</u>	<u>179,870</u>	<u>157,827</u>	<u>22,043</u>
<i>Net Change in Fund Balance</i>	(9,870)	(22,870)	(1,086)	21,784
<i>Fund Balance Beginning of Year</i>	78,675	78,675	78,675	0
Prior Year Encumbrances Appropriated	<u>9,870</u>	<u>9,870</u>	<u>9,870</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$78,675</u></u>	<u><u>\$65,675</u></u>	<u><u>\$87,459</u></u>	<u><u>\$21,784</u></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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$33,510	\$31,835	\$31,716	(\$119)
Contributions and Donations	6,490	6,165	6,141	(24)
<i>Total Revenues</i>	<u>40,000</u>	<u>38,000</u>	<u>37,857</u>	<u>(143)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Fringe Benefits	369	66	0	66
Purchased Services	1,768	495	451	44
Materials and Supplies	13,784	2,463	2,086	377
Capital Outlay - New	733	131	131	0
Other	2,395	428	428	0
Total Regular	<u>19,049</u>	<u>3,583</u>	<u>3,096</u>	<u>487</u>
Special:				
Salaries and Wages	1,427	395	0	395
Vocational:				
Salaries and Wages	7,219	1,290	1,290	0
Fringe Benefits	2,283	408	318	90
Purchased Services	41,380	7,394	7,394	0
Materials and Supplies	912	163	0	163
Other	27,982	5,000	5,000	0
Total Vocational	<u>79,776</u>	<u>14,255</u>	<u>14,002</u>	<u>253</u>
Total Instruction	<u>100,252</u>	<u>18,233</u>	<u>17,098</u>	<u>1,135</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	6,632	1,185	0	1,185
Fringe Benefits	1,041	186	0	186
Purchased Services	19,889	3,554	3,225	329
Materials and Supplies	0	537	499	38
Total Instructional Staff	<u>\$27,562</u>	<u>\$5,462</u>	<u>\$3,724</u>	<u>\$1,738</u>

(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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Pupils				
Materials and Supplies	\$1,679	\$300	\$0	\$300
Administration:				
Capital Outlay	0	300,000	299,976	24
Total Support Services	29,241	305,762	303,700	2,062
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services				
Other	211,363	50,042	2,284	47,758
<i>Total Expenditures</i>	340,856	374,037	323,082	50,955
<i>Net Change in Fund Balance</i>	(300,856)	(336,037)	(285,225)	50,812
<i>Fund Balance Beginning of Year</i>	35,324	35,324	35,324	0
Prior Year Encumbrances Appropriated	300,856	300,856	300,856	0
<i>Fund Balance End of Year</i>	<u>\$35,324</u>	<u>\$143</u>	<u>\$50,955</u>	<u>\$50,812</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$26,350	\$26,350	\$26,350	\$0
Expenditures				
Debt Service:				
Principal Retirement	46,000	46,000	46,000	0
Interest and Fiscal Charges	10,942	10,942	10,942	0
<i>Total Expenditures</i>	<u>56,942</u>	<u>56,942</u>	<u>56,942</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(30,592)	(30,592)	(30,592)	0
<i>Fund Balance Beginning of Year</i>	<u>162,886</u>	<u>162,886</u>	<u>162,886</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$132,294</u></u>	<u><u>\$132,294</u></u>	<u><u>\$132,294</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
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Extracurricular Activities	\$108,366	\$100,998	\$99,222	(\$1,776)
Contributions and Donations	13,802	12,862	12,636	(226)
<i>Total Revenues</i>	<u>122,168</u>	<u>113,860</u>	<u>111,858</u>	<u>(2,002)</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Purchased Services	305	304	304	0
Materials and Supplies	12,319	12,275	12,229	46
Total Academic and Subject Oriented	<u>12,624</u>	<u>12,579</u>	<u>12,533</u>	<u>46</u>
Occupational Oriented:				
Materials and Supplies	1,340	1,335	1,335	0
Sport Oriented Activities:				
Salaries and Wages	6,844	6,820	6,797	23
Fringe Benefits	1,155	1,151	1,128	23
Purchased Services	64,311	64,082	64,037	45
Materials and Supplies	96,755	101,280	100,343	937
Other	518	516	500	16
Total Sport Oriented Activities	<u>\$169,583</u>	<u>\$173,849</u>	<u>\$172,805</u>	<u>\$1,044</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, 2006

	<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	\$40,827	\$40,681	\$35,506	\$5,175
Materials and Supplies	6,032	6,441	5,625	816
Other	5,057	5,039	5,858	(819)
Total School and Public Service Oriented	<u>51,916</u>	<u>52,161</u>	<u>46,989</u>	<u>5,172</u>
<i>Total Expenditures</i>	<u>235,463</u>	<u>239,924</u>	<u>233,662</u>	<u>6,262</u>
<i>Excess of Revenues Under Expenditures</i>	(113,295)	(126,064)	(121,804)	4,260
Other Financing Sources				
Transfers In	<u>112,224</u>	<u>104,593</u>	<u>106,593</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(1,071)	(21,471)	(15,211)	6,260
<i>Fund Balance Beginning of Year</i>	24,587	24,587	24,587	0
Prior Year Encumbrances Appropriated	<u>1,071</u>	<u>1,071</u>	<u>1,071</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,587</u></u>	<u><u>\$4,187</u></u>	<u><u>\$10,447</u></u>	<u><u>\$6,260</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$339,883	\$421,813	\$376,075	(\$45,738)
Interest	974	1,206	1,077	(129)
<i>Total Revenues</i>	<u>340,857</u>	<u>423,019</u>	<u>377,152</u>	<u>(45,867)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	26,177	34,525	34,087	438
Fringe Benefits	5,162	5,878	5,878	0
Purchased Services	221,089	257,087	247,715	9,372
Materials and Supplies	132,544	192,302	129,277	63,025
Capital Outlay - New	11,897	18,185	10,215	7,970
<i>Total Expenditures</i>	<u>396,869</u>	<u>507,977</u>	<u>427,172</u>	<u>80,805</u>
<i>Net Change in Fund Balance</i>	(56,012)	(84,958)	(50,020)	34,938
<i>Fund Balance Beginning of Year</i>	18,070	18,070	18,070	0
Prior Year Encumbrances Appropriated	<u>67,619</u>	<u>67,619</u>	<u>67,619</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$29,677</u>	<u>\$731</u>	<u>\$35,669</u>	<u>\$34,938</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$20,000	\$14,000	\$12,975	(\$1,025)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	23,579	23,579	16,554	7,025
<i>Net Change in Fund Balance</i>	(3,579)	(9,579)	(3,579)	6,000
<i>Fund Balance Beginning of Year</i>	6,840	6,840	6,840	0
Prior Year Encumbrances Appropriated	3,579	3,579	3,579	0
<i>Fund Balance End of Year</i>	<u>\$6,840</u>	<u>\$840</u>	<u>\$6,840</u>	<u>\$6,000</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$9,800	\$9,800	\$9,800	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,800	8,800	8,800	0
Purchased Services	1,000	1,000	1,000	0
<i>Total Expenditures</i>	<u>9,800</u>	<u>9,800</u>	<u>9,800</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><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
Disadvantaged Pupil Impact Aid
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$251,033	\$251,034	\$250,537	(\$497)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	47,531	127,603	127,603	0
Special:				
Salaries and Wages	45,975	123,428	123,428	0
<i>Total Expenditures</i>	<u>93,506</u>	<u>251,031</u>	<u>251,031</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	157,527	3	(494)	(497)
Other Financing Sources				
Transfers In	495	494	494	0
<i>Net Change in Fund Balance</i>	158,022	497	0	(497)
<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>\$158,022</u></u>	<u><u>\$497</u></u>	<u><u>\$0</u></u>	<u><u>(\$497)</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$21,000	\$21,000	\$21,000	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<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>\$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
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$8,500	\$8,500	\$3,925	(\$4,575)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	4,894	4,894	4,722	172
Other	3,972	3,972	0	3,972
<i>Total Expenditures</i>	<u>8,866</u>	<u>8,866</u>	<u>4,722</u>	<u>4,144</u>
<i>Net Change in Fund Balance</i>	(366)	(366)	(797)	(431)
<i>Fund Balance Beginning of Year</i>	767	767	767	0
Prior Year Encumbrances Appropriated	<u>366</u>	<u>366</u>	<u>366</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$767</u></u>	<u><u>\$767</u></u>	<u><u>\$336</u></u>	<u><u>(\$431)</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$36,339	\$30,578	\$29,122	(\$1,456)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,993	6,900	6,900	0
Fringe Benefits	1,753	2,172	1,972	200
Materials and Supplies	12,775	19,960	19,800	160
Total Instruction	22,521	29,032	28,672	360
Support Services:				
Instructional Staff:				
Salaries and Wages	2,027	1,750	1,750	0
Purchased Services	2,780	2,400	2,195	205
Total Support Services	4,807	4,150	3,945	205
Operation of Non-Instructional Services:				
Other Non-Instructional Services				
Other	4,459	3,850	3,813	37
<i>Total Expenditures</i>	31,787	37,032	36,430	602
<i>Excess of Revenues Over (Under) Expenditures</i>	4,552	(6,454)	(7,308)	(854)
Other Financing Sources (Uses)				
Advances In	6,239	5,000	5,000	0
Advances Out	(12,891)	(11,129)	(11,129)	0
Total Other Financing Sources (Uses)	(6,652)	(6,129)	(6,129)	0
<i>Net Change in Fund Balance</i>	(2,100)	(12,583)	(13,437)	(854)
<i>Fund Balance Beginning of Year</i>	3,958	3,958	3,958	0
Prior Year Encumbrances Appropriated	9,591	9,591	9,591	0
<i>Fund Balance End of Year</i>	\$11,449	\$966	\$112	(\$854)

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$28,415	\$21,415	\$20,924	(\$491)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	25,067	36,471	25,067	11,404
<i>Excess of Revenues Over (Under) Expenditures</i>	3,348	(15,056)	(4,143)	10,913
Other Financing Uses				
Advances Out	(20,924)	(9,520)	(20,924)	(11,404)
<i>Net Change in Fund Balance</i>	(17,576)	(24,576)	(25,067)	(491)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	25,067	25,067	25,067	0
<i>Fund Balance End of Year</i>	<u>\$7,491</u>	<u>\$491</u>	<u>\$0</u>	<u>(\$491)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,905	\$1,905	\$1,905	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	<u>1,905</u>	<u>1,905</u>	<u>1,905</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><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
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$15,000	\$15,000	\$0	(\$15,000)
Expenditures				
Current:				
Supplies and Materials	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</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><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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,091,840	\$1,119,238	\$1,030,365	(\$88,873)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	110,971	108,729	83,199	25,530
Fringe Benefits	36,748	36,006	25,105	10,901
Purchased Services	533,887	542,023	538,960	3,063
Materials and Supplies	41,188	45,616	45,615	1
Capital Outlay - New	6,408	6,279	4,623	1,656
Total Special	<u>729,202</u>	<u>738,653</u>	<u>697,502</u>	<u>41,151</u>
Vocational:				
Salaries and Wages	55,518	54,397	48,973	5,424
Fringe Benefits	20,535	20,120	20,008	112
Total Vocational	<u>76,053</u>	<u>74,517</u>	<u>68,981</u>	<u>5,536</u>
Total Instruction	<u>805,255</u>	<u>813,170</u>	<u>766,483</u>	<u>46,687</u>
Support Services:				
Pupil:				
Salaries and Wages	90,797	88,963	66,262	22,701
Fringe Benefits	27,803	27,241	19,388	7,853
Materials and Supplies	4,082	4,000	3,659	341
Total Pupil	<u>122,682</u>	<u>120,204</u>	<u>89,309</u>	<u>30,895</u>
Instructional Staff:				
Purchased Services	<u>2,343</u>	<u>\$4,000</u>	<u>\$2,381</u>	<u>\$1,619</u>

(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, 2006

	<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	\$91,628	\$89,776	\$82,146	\$7,630
Fringe Benefits	37,285	36,532	34,442	2,090
Total Administration	<u>128,913</u>	<u>126,308</u>	<u>116,588</u>	<u>9,720</u>
Total Support Services	<u>253,938</u>	<u>250,512</u>	<u>208,278</u>	<u>42,234</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>15,174</u>	<u>30,855</u>	<u>30,855</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,074,367</u>	<u>1,094,537</u>	<u>1,005,616</u>	<u>88,921</u>
<i>Excess of Revenues Over Expenditures</i>	<u>17,473</u>	<u>24,701</u>	<u>24,749</u>	<u>48</u>
Other Financing Sources (Uses)				
Advances In	287,147	13,750	13,750	0
Advances Out	<u>(442,621)</u>	<u>(176,451)</u>	<u>(176,451)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(155,474)</u>	<u>(162,701)</u>	<u>(162,701)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(138,001)	(138,000)	(137,952)	48
<i>Fund Balance Beginning of Year</i>	96,129	96,129	96,129	0
Prior Year Encumbrances Appropriated	<u>41,872</u>	<u>41,872</u>	<u>41,872</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1</u>	<u>\$49</u>	<u>\$48</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$216,992	\$213,392	\$170,715	(\$42,677)
Expenditures				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	25,927	27,016	24,516	2,500
Capital Outlay - New	45,986	43,991	43,359	632
Other	62,337	58,550	22,376	36,174
Total Instruction	134,250	129,557	90,251	39,306
Support Services:				
Pupil:				
Purchased Services	18,251	22,284	17,484	4,800
Materials and Supplies	3,807	3,590	3,590	0
Capital Outlay - New	2,144	1,805	1,706	99
Total Pupil	24,202	27,679	22,780	4,899
Instructional Staff:				
Purchased Services	7,601	9,207	7,268	1,939
Other	6,403	5,940	4,065	1,875
Total Instructional Staff	14,004	15,147	11,333	3,814
Administration:				
Materials and Supplies	2,945	2,778	2,777	1
Capital Outlay - New	553	522	522	0
Total Administration	3,498	3,300	3,299	1
Central:				
Purchased Services	1,168	1,100	1,100	0
Other	3,290	3,100	1,582	1,518
Total Central	4,458	4,200	2,682	1,518
Total Support Services	46,162	50,326	40,094	10,232
<i>Total Expenditures</i>	<u>\$180,412</u>	<u>\$179,883</u>	<u>\$130,345</u>	<u>\$49,538</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over Expenditures</i>	\$36,580	\$33,509	\$40,370	\$6,861
Other Financing Sources (Uses)				
Advances Out	<u>(55,141)</u>	<u>(51,998)</u>	<u>(51,998)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(18,561)	(18,489)	(11,628)	6,861
<i>Fund Balance Beginning of Year</i>	8,806	8,806	8,806	0
Prior Year Encumbrances Appropriated	<u>9,755</u>	<u>9,755</u>	<u>9,755</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$72</u>	<u>\$6,933</u>	<u>\$6,861</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,530	\$5,533	\$5,280	(\$253)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>5,589</u>	<u>5,589</u>	<u>5,336</u>	<u>253</u>
<i>Excess of Revenues Under Expenditures</i>	(59)	(56)	(56)	0
Other Financing Sources				
Transfers In	<u>59</u>	<u>56</u>	<u>56</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><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 I Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$613,214	\$669,863	\$535,643	(\$134,220)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,172	2,160	2,160	0
Fringe Benefits	78	78	78	0
Purchased Services	550	7,657	7,564	93
Total Regular	2,800	9,895	9,802	93
Special:				
Salaries and Wages	353,576	351,585	301,577	50,008
Fringe Benefits	102,640	102,062	82,549	19,513
Materials and Supplies	11,973	11,905	9,993	1,912
Capital Outlay - New	95	95	95	0
Total Special	468,284	465,647	394,214	71,433
Total Instruction	471,084	475,542	404,016	71,526
Support Services:				
Pupils:				
Salaries and Wages	48,580	48,306	48,306	0
Fringe Benefits	12,210	12,141	12,141	0
Materials and Supplies	1,834	1,824	0	1,824
Total Pupils	62,624	62,271	60,447	1,824
Instructional Staff:				
Salaries and Wages	24,985	24,844	12,937	11,907
Fringe Benefits	5,692	5,660	1,855	3,805
Purchased Services	78,647	110,304	103,647	6,657
Materials and Supplies	10,265	10,207	9,177	1,030
Total Instructional Staff	\$119,589	\$151,015	\$127,616	\$23,399

(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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Administration:				
Purchased Services	\$20,113	\$20,000	\$0	\$20,000
Total Support Services	<u>202,326</u>	<u>233,286</u>	<u>188,063</u>	<u>45,223</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	30,526	30,354	16,388	13,966
Fringe Benefits	2,650	2,635	275	2,360
Purchased Services	9,389	19,440	18,533	907
Materials and Supplies	4,736	4,782	4,524	258
Total Operation of Non-Instructional Services	<u>47,301</u>	<u>57,211</u>	<u>39,720</u>	<u>17,491</u>
<i>Total Expenditures</i>	<u>720,711</u>	<u>766,039</u>	<u>631,799</u>	<u>134,240</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(107,497)</u>	<u>(96,176)</u>	<u>(96,156)</u>	<u>20</u>
Other Financing Sources (Uses)				
Advances In	96,163	84,000	84,000	0
Advances Out	(150,626)	(149,778)	(149,778)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(54,463)</u>	<u>(65,778)</u>	<u>(65,778)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(161,960)	(161,954)	(161,934)	20
<i>Fund Balance Beginning of Year</i>	112,573	112,573	112,573	0
Prior Year Encumbrances Appropriated	<u>49,387</u>	<u>49,387</u>	<u>49,387</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$6</u>	<u>\$26</u>	<u>\$20</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$29,851	\$30,128	\$23,372	(\$6,756)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,267	4,000	900	3,100
Fringe Benefits	802	752	0	752
Purchased Services	21,337	22,500	19,750	2,750
Total Instruction	26,406	27,252	20,650	6,602
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,541	1,960	1,626	334
Materials and Supplies	1,152	1,080	946	134
Total Operation of Non-Instructional Services	2,693	3,040	2,572	468
<i>Total Expenditures</i>	29,099	30,292	23,222	7,070
<i>Excess of Revenues Over (Under) Expenditures</i>	752	(164)	150	314
Other Financing Sources (Uses)				
Advances In	1,277	1,000	1,000	0
Advances Out	(19,053)	(17,859)	(17,859)	0
Total Other Financing Sources (Uses)	(17,776)	(16,859)	(16,859)	0
<i>Net Change in Fund Balance</i>	(17,024)	(17,023)	(16,709)	314
<i>Fund Balance Beginning of Year</i>	14,008	14,008	14,008	0
Prior Year Encumbrances Appropriated	3,016	3,016	3,016	0
<i>Fund Balance End of Year</i>	\$0	\$1	\$315	\$314

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$23,788	\$24,763	\$16,016	(\$8,747)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,924	3,600	3,319	281
Fringe Benefits	1,101	1,010	230	780
Purchased Services	8,012	7,500	5,831	1,669
Materials and Supplies	3,593	5,387	2,893	2,494
Total Instruction	16,630	17,497	12,273	5,224
Support Services:				
Instructional Staff:				
Salaries and Wages	2,180	2,000	815	1,185
Fringe Benefits	290	266	114	152
Purchased Services	2,947	2,803	863	1,940
Capital Outlay - New	2,387	2,801	2,560	241
Total Instructional Staff	7,804	7,870	4,352	3,518
Operation and Maintenance of Plant:				
Capital Outlay - New	667	667	667	0
Total Support Services	8,471	8,537	5,019	3,518
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	51	47	47	0
<i>Total Expenditures</i>	25,152	26,081	17,339	8,742
<i>Excess of Revenues Under Expenditures</i>	(1,364)	(1,318)	(1,323)	(5)
Other Financing Sources (Uses)				
Advances In	2,970	2,000	2,000	0
Advances Out	(11,234)	(10,305)	(10,305)	0
Total Other Financing Sources (Uses)	(8,264)	(8,305)	(8,305)	0
<i>Net Change in Fund Balance</i>	(9,628)	(9,623)	(9,628)	(5)
<i>Fund Balance Beginning of Year</i>	6,620	6,620	6,620	0
Prior Year Encumbrances Appropriated	3,008	3,008	3,008	0
<i>Fund Balance End of Year</i>	\$0	\$5	\$0	(\$5)

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$35,107	\$51,771	\$48,508	(\$3,263)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	951	1,247	1,247	0
Fringe Benefits	152	199	193	6
Purchased Services	32,364	46,416	43,158	3,258
Total Instruction	33,467	47,862	44,598	3,264
Support Services:				
Instructional Staff:				
Salaries and Wages	2,741	3,593	3,593	0
Fringe Benefits	613	803	803	0
Total Support Services	3,354	4,396	4,396	0
<i>Total Expenditures</i>	36,821	52,258	48,994	3,264
<i>Excess of Revenues Under Expenditures</i>	(1,714)	(487)	(486)	1
Other Financing Sources (Uses)				
Advances In	19,666	4,200	4,200	0
Advances Out	(28,098)	(13,855)	(13,855)	0
<i>Total Other Financing Sources (Uses)</i>	(8,432)	(9,655)	(9,655)	0
<i>Net Change in Fund Balance</i>	(10,146)	(10,142)	(10,141)	1
<i>Fund Balance Beginning of Year</i>	6,149	6,149	6,149	0
Prior Year Encumbrances Appropriated	3,997	3,997	3,997	0
<i>Fund Balance End of Year</i>	\$0	\$4	\$5	\$1

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$172,134	\$170,863	\$141,334	(\$29,529)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	118,582	115,029	95,130	19,899
Fringe Benefits	35,914	34,747	28,514	6,233
Total Instruction	154,496	149,776	123,644	26,132
Support Services:				
Instructional Staff:				
Salaries and Wages	791	765	765	0
Purchased Services	13,080	16,993	14,968	2,025
Total Support Services	13,871	17,758	15,733	2,025
Operation of Non-Instructional Services:				
Purchased Services	3,374	3,265	2,403	862
Materials and Supplies	723	700	631	69
Total Operation of Non-Instructional Services	172,464	171,499	142,411	29,088
<i>Excess of Revenues Under Expenditures</i>	(330)	(636)	(1,077)	(441)
Other Financing Sources (Uses)				
Advances In	1,279	1,050	1,050	0
Advances Out	(30,924)	(29,919)	(29,919)	0
<i>Total Other Financing Sources (Uses)</i>	(29,645)	(28,869)	(28,869)	0
<i>Net Change in Fund Balance</i>	(29,975)	(29,505)	(29,946)	(441)
<i>Fund Balance Beginning of Year</i>	25,337	25,337	25,337	0
Prior Year Encumbrances Appropriated	4,638	4,638	4,638	0
<i>Fund Balance End of Year</i>	\$0	\$470	\$29	(\$441)

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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$10,960	\$12,865	\$8,910	(\$3,955)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	11,089	8,555	7,040	1,515
Materials and Supplies	236	179	176	3
Capital Outlay - New	182	182	182	0
Total Regular	11,507	8,916	7,398	1,518
Support Services:				
Instructional Staff:				
Salaries and Wages	2,438	1,850	0	1,850
Fringe Benefits	405	307	10	297
Purchased Services		7,500	7,500	0
Total Support Services	2,843	9,657	7,510	2,147
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,141	881	582	299
Materials and Supplies	740	564	564	0
Total Operation of Non-Instructional Services	1,881	1,445	1,146	299
<i>Total Expenditures</i>	16,231	20,018	16,054	3,964
<i>Excess of Revenues Under Expenditures</i>	(5,271)	(7,153)	(7,144)	9
Other Financing Sources (Uses)				
Advances In	9,225	7,500	7,500	0
Advances Out	(14,969)	(11,362)	(11,362)	0
<i>Total Other Financing Sources (Uses)</i>	(5,744)	(3,862)	(3,862)	0
<i>Net Change in Fund Balance</i>	(11,015)	(11,015)	(11,006)	9
<i>Fund Balance Beginning of Year</i>	3,318	3,318	3,318	0
Prior Year Encumbrances Appropriated	7,698	7,698	7,698	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$10	\$9

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$1,170,254	\$1,221,405	\$1,158,677	(\$62,728)
Intergovernmental	28,321	29,559	93,543	63,984
<i>Total Revenues</i>	<u>1,198,575</u>	<u>1,250,964</u>	<u>1,252,220</u>	<u>1,256</u>
Expenditures				
Debt Service:				
Principal Retirement	885,000	885,000	885,000	0
Interest and Fiscal Charges	313,575	313,575	313,575	0
<i>Total Expenditures</i>	<u>1,198,575</u>	<u>1,198,575</u>	<u>1,198,575</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	52,389	53,645	1,256
<i>Fund Balance Beginning of Year</i>	<u>1,550,940</u>	<u>1,550,940</u>	<u>1,550,940</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,550,940</u></u>	<u><u>\$1,603,329</u></u>	<u><u>\$1,604,585</u></u>	<u><u>\$1,256</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$605,611	\$601,903	\$579,271	(\$22,632)
Intergovernmental	44,389	44,117	58,971	14,854
<i>Total Revenues</i>	<u>650,000</u>	<u>646,020</u>	<u>638,242</u>	<u>(7,778)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	803,426	766,350	714,196	52,154
Capital Outlay:				
Architectre and Engineering Services:				
Purchased Services	132,900	79,404	87,185	(7,781)
<i>Total Expenditures</i>	<u>936,326</u>	<u>845,754</u>	<u>801,381</u>	<u>44,373</u>
<i>Excess of Revenues Under Expenditures</i>	(286,326)	(199,734)	(163,139)	36,595
Other Financing Uses				
Advances Out	0	(90,572)	(90,572)	0
<i>Net Change in Fund Balance</i>	(286,326)	(290,306)	(253,711)	36,595
<i>Fund Balance Beginning of Year</i>	25,818	25,818	25,818	0
Prior Year Encumbrances Appropriated	286,326	286,326	286,326	0
<i>Fund Balance End of Year</i>	<u>\$25,818</u>	<u>\$21,838</u>	<u>\$58,433</u>	<u>\$36,595</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$32,580	\$24,889	\$41,166	\$16,277
Miscellaneous	51,472	73,591	65,037	(8,554)
<i>Total Revenues</i>	<u>84,052</u>	<u>98,480</u>	<u>106,203</u>	<u>7,723</u>
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	1,372	38,380	46,380	(8,000)
Architecture and Engineering Services:				
Purchased Services	127,559	3,569,037	3,569,037	0
Capital Outlay - New	1,011	28,291	0	28,291
Total Architecture and Engineering Services	<u>128,570</u>	<u>3,597,328</u>	<u>3,569,037</u>	<u>28,291</u>
<i>Total Expenditures</i>	<u>129,942</u>	<u>3,635,708</u>	<u>3,615,417</u>	<u>20,291</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(45,890)</u>	<u>(3,537,228)</u>	<u>(3,509,214)</u>	<u>28,014</u>
Other Financing Sources (Uses)				
Advances In	39,682	0	0	0
Advances Out	(1,792)	0	0	0
General Obligation Bonds Issued	0	3,562,114	3,562,114	0
<i>Total Other Financing Sources (Uses)</i>	<u>37,890</u>	<u>3,562,114</u>	<u>3,562,114</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,000)	24,886	52,900	28,014
<i>Fund Balance Beginning of Year</i>	11,007	11,007	11,007	0
Prior Year Encumbrances Appropriated	8,000	8,000	8,000	0
<i>Fund Balance End of Year</i>	<u>\$11,007</u>	<u>\$43,893</u>	<u>\$71,907</u>	<u>\$28,014</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>150,844</u>	<u>150,844</u>	<u>150,844</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$150,844</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$23,000	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	<u>6,896</u>	<u>6,896</u>	<u>6,896</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	16,104	(6,896)	(6,896)	0
Other Financing Uses				
Advances Out	<u>(12,763)</u>	<u>(12,763)</u>	<u>(12,763)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,341	(19,659)	(19,659)	0
<i>Fund Balance Beginning of Year</i>	<u>19,659</u>	<u>19,659</u>	<u>19,659</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$23,000</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 Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	<u>1,826</u>	<u>1,826</u>	<u>1,762</u>	<u>64</u>
<i>Net Change in Fund Balance</i>	(1,826)	(1,826)	(1,762)	64
<i>Fund Balance Beginning of Year</i>	64	64	64	0
Prior Year Encumbrances Appropriated	<u>1,762</u>	<u>1,762</u>	<u>1,762</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</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, 2006

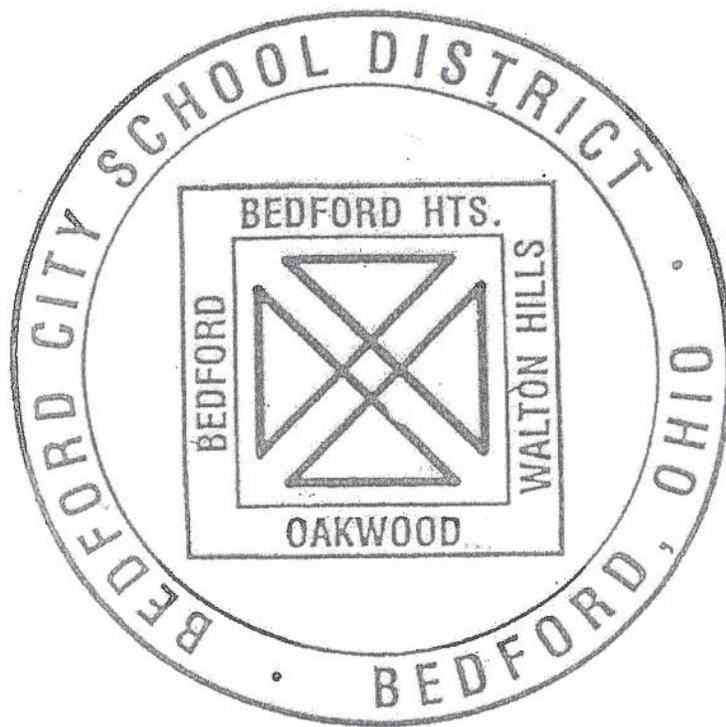
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,000,000	\$1,240,000	\$1,243,330	\$3,330
Expenses				
Purchased Services	33,893	40,671	45,459	(4,788)
Claims	966,107	1,159,329	1,124,770	34,559
<i>Total Expenses</i>	<u>1,000,000</u>	<u>1,200,000</u>	<u>1,170,229</u>	<u>29,771</u>
<i>Net Change in Fund Equity</i>	0	40,000	73,101	33,101
<i>Fund Equity Beginning of Year</i>	<u>1,292,587</u>	<u>1,292,587</u>	<u>1,292,587</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,292,587</u></u>	<u><u>\$1,332,587</u></u>	<u><u>\$1,365,688</u></u>	<u><u>\$33,101</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, 2006

	<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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$2,000	\$2,007	\$7
Expenses				
Other	600	1,200	1,200	0
<i>Net Change in Fund Equity</i>	(600)	800	807	7
<i>Fund Equity Beginning of Year</i>	55,006	55,006	55,006	0
<i>Fund Equity End of Year</i>	<u>\$54,406</u>	<u>\$55,806</u>	<u>\$55,813</u>	<u>\$7</u>



Statistical Section

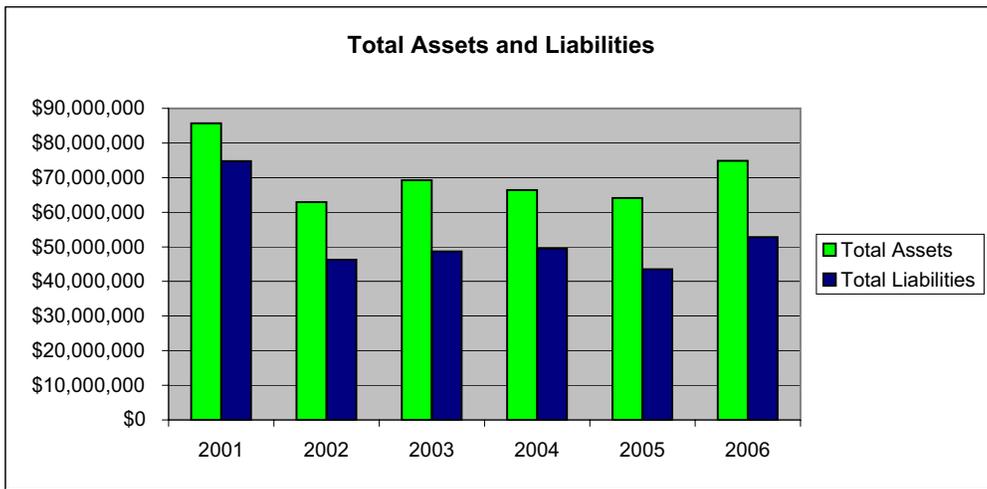
This part of the Bedford City School District's comprehensive annual financial report presents detailed as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2 - S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14 - S23
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S24 - S28
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S29 - S31
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S32 - S42

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that fiscal year.

Bedford City School District
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	2001	2002 (1)	2003
Invested in Capital Assets, Net of Related Debt	\$3,853,551	\$5,265,722	\$9,267,931
Restricted for:			
Capital Projects	949,419	358,950	575,693
Debt Service	1,354,436	1,503,513	1,587,484
Other Purposes	388,095	432,505	616,921
Unrestricted	4,379,419	9,070,845	8,537,864
<i>Total Net Assets</i>	<u>\$10,924,920</u>	<u>\$16,631,535</u>	<u>\$20,585,893</u>



Source: School District Financial Records

(1) The School District reclassified enterprise funds to special revenue funds.

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$10,168,889	\$10,390,724	\$9,900,232
190,733	397,551	1,882,830
997,556	1,418,198	1,381,463
725,176	849,525	511,238
<u>4,831,045</u>	<u>7,486,212</u>	<u>8,373,797</u>
<u>\$16,913,399</u>	<u>\$20,542,210</u>	<u>\$22,049,560</u>

Bedford City School District
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	2001	2002	2003
Expenses			
Governmental Activities:			
Instruction	\$18,893,342	\$19,493,314	\$19,716,538
Pupil Support	2,193,048	2,504,145	2,444,186
Instructional Staff Support	1,505,981	1,636,335	1,452,726
Board of Education	184,482	147,718	164,324
Administration	2,554,588	2,660,475	2,791,248
Fiscal	995,828	1,211,620	1,457,382
Business	357,096	411,748	477,013
Operation and Maintenance of Plant	6,062,780	6,335,607	5,596,383
Pupil Transportation	2,696,148	2,860,873	3,227,782
Central	282,074	241,112	261,748
Food Service Operations	0	1,214,859	1,335,836
Operation of Non-Instructional Services	796,300	649,054	573,662
Extracurricular Activities	569,058	835,766	593,241
Interest and Fiscal Charges	702,849	404,297	526,618
<i>Total Governmental Activities Expenses</i>	<u>37,793,574</u>	<u>40,606,923</u>	<u>40,618,687</u>
Business-Type Activities:			
Food Service	1,215,952	0	0
Uniform School Supplies	18,874	0	0
Summer School	44,412	0	0
Adult and Community Services	37,384	0	0
Recreation	8,152	0	0
<i>Total Business-Type Activities Expenses</i>	<u>1,324,774</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Expenses</i>	<u>39,118,348</u>	<u>40,606,923</u>	<u>40,618,687</u>
Program Revenues			
Governmental Activities:			
Charges for Services:			
Instruction	394,133	744,013	281,844
Pupil Support	98,711	0	0
Instructional Staff Support	0	0	3,733
Business	0	0	1,455
Operation and Maintenance of Plant	36,619	0	4,949
Pupil Transportation	16,303	58,117	0
Central	0	0	5,911
Food Service Operations	0	826,464	742,396
Operation of Non-Instructional Services	0	0	64,719
Extracurricular Activities	97,065	243,412	100,721
Operating Grants and Contributions			
Instruction	1,137,912	1,271,440	1,335,778
Pupil Support	25,189	138,022	57,994
Instructional Staff Support	65,917	100,570	196,937
Administration	4,510	5,953	102,441
Business	0	0	815
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	50,912	827	0
Central	13,004	4,539	9,671
Food Service Operations	0	411,067	517,566
Operation of Non-Instructional Services	494,611	486,957	517,772
Extracurricular Activities	0	0	3,221

2004	2005	2006
\$23,153,227	\$22,869,124	\$24,090,319
2,721,877	2,665,621	2,758,509
1,620,852	1,586,546	1,762,862
59,311	207,937	407,852
3,565,984	3,204,240	3,942,749
1,290,723	1,249,303	1,236,174
402,210	555,487	777,247
6,772,564	5,865,329	6,731,992
3,914,942	3,372,082	3,851,122
306,326	291,782	309,079
1,362,041	1,312,760	1,471,121
502,320	514,115	454,710
915,504	916,721	826,605
531,995	514,430	467,718
<u>47,119,876</u>	<u>45,125,477</u>	<u>49,088,059</u>
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>47,119,876</u>	<u>45,125,477</u>	<u>49,088,059</u>

1,275,519	351,669	\$1,246,793
200	0	0
2,683	3,693	1,558
1,611	5,301	185,583
34,899	27,745	31,472
0	0	2,726
7,576	1,412	0
792,140	760,722	812,352
11,605	11,845	10,637
95,755	108,995	93,701
1,631,369	2,035,753	1,573,434
56,854	33,728	193,061
183,012	182,834	171,723
93,893	115,923	149,752
65	83	308
3,539	94,094	59,209
509	97,143	0
5,953	6,977	2,488
490,206	518,616	610,070
480,659	495,433	428,920
18,281	23,644	12,636

(continued)

Bedford City School District
Changes in Net Assets (continued)
Last Six Fiscal Years
(accrual basis of accounting)

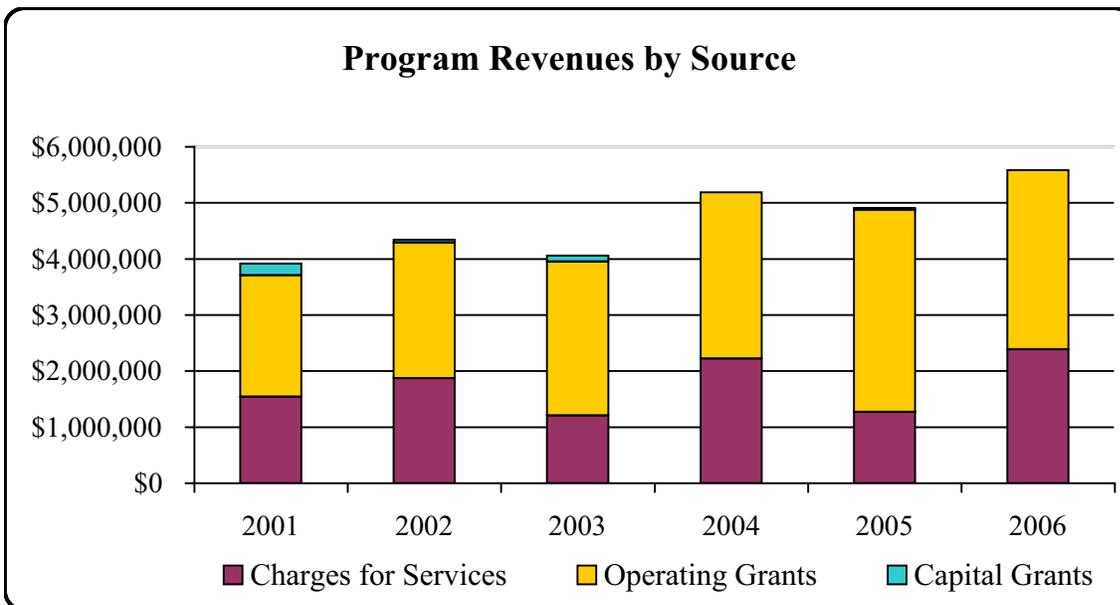
	2001	2002	2003
Capital Grants and Contributions			
Instruction	\$0	\$0	\$13,753
Instructional Staff Support	33,210	0	0
Operation and Maintenance of Plant	177,941	0	58,715
Pupil Transportation	0	0	37,069
Central	0	50,514	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,646,037</u>	<u>\$4,341,895</u>	<u>\$4,057,460</u>
Business-Type Activities:			
Charges for Services:			
Food Service	\$798,069	\$0	\$0
Uniform School Supplies	16,468	0	0
Summer School	45,190	0	0
Adult and Community Education	11,833	0	0
Recreation	8,391	0	0
Special Enterprise	20,250	0	0
Operating Grants and Contributions			
Food Service	373,657	0	0
Uniform School Supplies	145	0	0
Adult and Community Education	32	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>1,274,035</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>3,920,072</u>	<u>4,341,895</u>	<u>4,057,460</u>
Net (Expense)/Revenue			
Governmental Activities	(35,147,537)	(36,265,028)	(36,561,227)
Business-Type Activities	(50,739)	0	0
<i>Total Primary Government Net Expense</i>	<u>(35,198,276)</u>	<u>(36,265,028)</u>	<u>(36,561,227)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property and Other Local Taxes Levied For:			
General Purposes	30,487,383	32,706,307	29,904,312
Debt Service	1,096,374	1,212,396	1,030,078
Capital Outlay	578,269	626,150	558,855
Grants and Entitlements not Restricted to Specific Programs	6,216,092	6,685,643	8,634,340
Payment in Lieu of Taxes	41,975	21,613	0
Gain on Sale of Capital Assets	247,800	50,753	0
Investment Earnings	732,915	377,677	239,106
Miscellaneous	235,536	291,104	125,231
Transfers	(107,960)	0	23,663
<i>Total Governmental Activities</i>	<u>39,528,384</u>	<u>41,971,643</u>	<u>40,515,585</u>
Business-Type Activities:			
Transfers	107,960	0	0
<i>Total Business-Type Activities</i>	<u>107,960</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>39,636,344</u>	<u>41,971,643</u>	<u>40,515,585</u>
Change in Net Assets			
Governmental Activities	4,380,847	5,706,615	3,954,358
Business-Type Activities	57,221	0	0
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,438,068</u>	<u>\$5,706,615</u>	<u>\$3,954,358</u>

Source: School District Financial Records

2004	2005	2006
\$0	\$0	\$0
0	35,910	0
0	0	0
0	0	0
0	0	0
<u>\$5,186,328</u>	<u>\$4,911,520</u>	<u>\$5,586,423</u>
\$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>5,186,328</u>	<u>4,911,520</u>	<u>5,586,423</u>
(41,933,548)	(40,213,957)	(43,501,636)
0	0	0
<u>(41,933,548)</u>	<u>(40,213,957)</u>	<u>(43,501,636)</u>
28,471,588	32,156,621	\$34,235,814
1,050,439	1,366,766	963,017
670,221	682,633	473,225
7,747,756	9,140,806	8,149,887
0	0	0
0	0	0
174,106	325,033	759,074
146,944	170,909	427,969
0	0	0
<u>38,261,054</u>	<u>43,842,768</u>	<u>45,008,986</u>
0	0	0
0	0	0
<u>38,261,054</u>	<u>43,842,768</u>	<u>45,008,986</u>
(3,672,494)	3,628,811	1,507,350
0	0	0
<u>(3,672,494)</u>	<u>\$3,628,811</u>	<u>\$1,507,350</u>

Bedford City School District
Program Revenues by Function
Last Six Fiscal Years
(accrual basis of accounting)

	2001	2002 (1)	2003
Governmental Activities			
Instruction	\$1,532,045	\$2,015,453	\$1,634,301
Pupil Support	123,900	138,022	57,994
Instructional Staff Support	99,127	100,570	200,670
Administration	4,510	5,953	103,896
Business	0	0	5,764
Operation and Maintenance of Plant	214,560	0	58,715
Pupil Transportation	67,215	109,458	37,069
Central	13,004	4,539	15,582
Food Service Operations	0	1,237,531	1,259,962
Operation of Non-Instructional Services	494,611	486,957	582,491
Extracurricular Activities	97,065	243,412	103,942
Total Governmental Activities Program Revenues	<u>2,646,037</u>	<u>\$4,341,895</u>	<u>\$4,060,386</u>
Business-Type Activities			
Food Service	1,171,726		
Uniform School Supplies	16,613		
Summer School	45,190		
Adult and Community Education	11,865		
Recreation	8,391		
Special Enterprise	20,250		
Total Business-Type Activities Program Revenues	<u>1,274,035</u>		
Total Program Revenues	<u>\$3,920,072</u>		

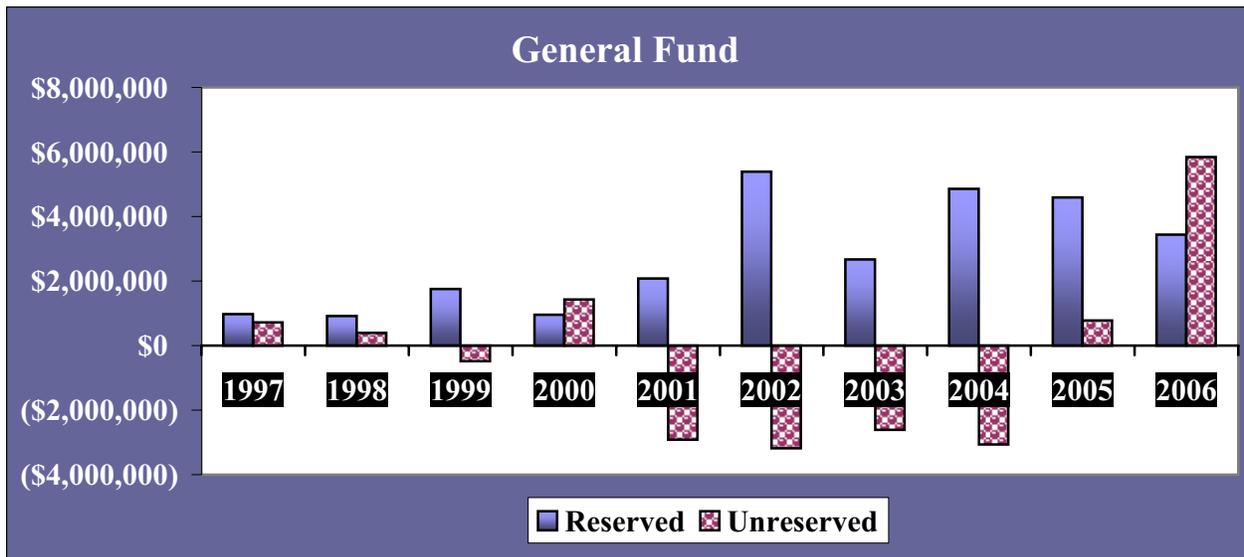


(1) The School District reclassified enterprise funds to special revenue funds.

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$2,906,888	\$2,387,422	\$2,820,227
57,054	33,728	193,061
185,695	222,437	173,281
95,504	121,224	335,335
34,964	27,828	31,780
3,539	94,094	59,209
509	97,143	2,726
13,529	1058efd7	2,488
1,282,346	1,279,338	1,422,422
492,264	507,278	439,557
114,036	132,639	106,337
<u>\$5,186,328</u>	<u>\$4,903,131</u>	<u>\$5,586,423</u>

Bedford City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1997	1998	1999	2000
General Fund				
Reserved	\$971,225	\$919,261	\$1,758,142	\$953,875
Unreserved	723,563	389,965	(484,443)	1,429,584
<i>Total General Fund</i>	<u>1,694,788</u>	<u>1,309,226</u>	<u>1,273,699</u>	<u>2,383,459</u>
All Other Governmental Funds				
Reserved	836,386	326,896	276,683	553,179
Unreserved, Undesignated, Reported in:				
Special Revenue funds (Deficit)	210,672	245,647	231,547	276,874
Debt Service funds	1,166,608	1,194,129	1,262,349	1,269,570
Capital Projects funds (Deficit)	(316,035)	81,005	434,196	510,551
<i>Total All Other Governmental Funds</i>	<u>1,897,631</u>	<u>1,847,677</u>	<u>2,204,775</u>	<u>2,610,174</u>
<i>Total Governmental Funds</i>	<u><u>\$3,592,419</u></u>	<u><u>\$3,156,903</u></u>	<u><u>\$3,478,474</u></u>	<u><u>\$4,993,633</u></u>



2001	2002	2003	2004	2005	2006
\$1,199,737	\$5,586,029	\$2,150,457	\$4,094,412	\$3,660,981	\$3,439,751
4,684,650	4,995,540	6,986,451	3,712,624	4,804,712	5,838,425
5,884,387	10,581,569	9,136,908	7,807,036	8,465,693	9,278,176
660,477	455,442	1,698,199	382,674	1,252,888	1,914,332
28,444	418,393	93,573	354,559	(173,184)	53,339
1,354,436	1,289,607	1,457,428	1,486,406	1,557,858	1,626,389
606,599	268,399	(971,759)	(149,376)	(33,451)	273,526
2,649,956	2,431,841	2,277,441	2,074,263	2,604,111	3,867,586
<u>\$8,534,343</u>	<u>\$13,013,410</u>	<u>\$11,414,349</u>	<u>\$9,881,299</u>	<u>\$11,069,804</u>	<u>\$13,145,762</u>

Bedford City School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1997	1998	1999	2000
Revenues				
Taxes	\$28,050,790	\$28,009,547	\$28,360,641	\$28,332,126
Intergovernmental	6,433,250	7,574,956	7,739,499	7,895,103
Interest	496,937	482,063	426,787	530,711
Charges for Services	0	0	21,515	1,083
Tuition and Fees	2,370	92	89,245	249,045
Rentals	0	0	0	0
Extracurricular Activities	152,215	163,428	143,243	148,635
Contributions and Donations	0	0	0	0
Miscellaneous	217,848	1,000,967	423,637	647,685
<i>Total Revenues</i>	<u>35,353,410</u>	<u>37,231,053</u>	<u>37,204,567</u>	<u>37,804,388</u>
Expenditures				
Current:				
Instruction	17,684,944	18,304,233	18,680,078	18,430,323
Support Services:				
Pupil	1,800,680	2,216,485	2,220,545	2,037,451
Instructional Staff	1,467,072	1,488,894	1,418,112	1,257,482
Board of Education	92,548	189,634	238,036	277,402
Administration	2,270,019	2,575,316	2,581,044	2,483,284
Fiscal	841,393	1,006,996	1,040,304	1,141,137
Business	595,680	349,725	320,302	349,599
Operation and Maintenance of Plant	5,887,984	5,430,177	5,081,737	5,076,352
Pupil Transportation	2,442,491	2,425,413	2,343,340	2,426,571
Central	176,742	271,693	197,415	188,711
Food Service Operations	0	0	0	0
Operation of Non-Instructional Services	477,024	480,302	455,880	436,838
Extracurricular Activities	479,496	533,195	527,393	579,345
Capital Outlay	247,578	257,018	30,684	43,708
Debt Service:				
Principal Retirement	510,000	590,000	635,000	690,000
Interest and Fiscal Charges	828,061	794,362	767,421	737,011
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>35,801,712</u>	<u>36,913,443</u>	<u>36,537,291</u>	<u>36,155,214</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(448,302)</u>	<u>317,610</u>	<u>667,276</u>	<u>1,649,174</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	1,600	6,057	300	34
General Obligation Bonds Issued	0	0	0	0
Loan Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Capital Lease Issued	0	0	0	0
Refund of Prior Year's Receipts	(22,129)	0	0	0
Transfers In	83,580	156,916	90,320	97,754
Transfers Out	(83,580)	(916,099)	(436,325)	(231,803)
<i>Total Other Financing Sources (Uses)</i>	<u>(20,529)</u>	<u>(753,126)</u>	<u>(345,705)</u>	<u>(134,015)</u>
<i>Net Change in Fund Balances</i>	<u>(\$468,831)</u>	<u>(\$435,516)</u>	<u>\$321,571</u>	<u>\$1,515,159</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	3.76%	3.78%	3.84%	3.95%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

2001	2002	2003	2004	2005	2006
\$32,204,001	\$34,566,466	\$28,568,195	\$32,961,433	\$33,822,981	\$35,356,794
8,165,161	9,186,016	11,064,263	10,859,955	12,105,042	11,698,017
773,562	379,978	239,106	174,106	325,033	759,074
115,014	357,219	767,185	797,804	765,852	817,551
254,377	110,106	209,354	1,156,288	257,961	1,338,900
0	0	51,113	39,324	32,230	32,638
236,821	271,316	178,076	228,572	215,339	195,733
0	0	59,816	50,192	349,198	30,082
285,645	316,604	125,231	146,944	170,909	427,969
42,034,581	45,187,705	41,262,339	46,414,618	48,044,545	50,656,758
19,305,665	19,632,965	20,163,293	22,335,604	23,048,542	23,599,077
2,178,366	2,493,276	2,587,565	2,691,337	2,711,466	2,748,756
1,517,140	1,634,091	1,596,091	1,603,092	1,715,964	1,746,185
184,482	147,718	174,001	264,211	208,201	407,852
2,549,537	2,655,897	2,904,410	3,453,470	3,279,005	3,955,263
992,467	1,218,995	1,450,531	1,295,384	1,291,119	1,215,241
330,128	395,226	420,750	491,350	576,563	835,376
5,982,969	6,386,456	5,703,847	6,612,776	5,980,389	6,574,042
2,820,794	3,271,744	3,008,535	3,648,846	3,296,585	3,919,612
204,128	234,295	253,416	281,725	298,512	295,527
0	0	543,327	1,314,097	1,414,479	1,459,746
537,787	520,883	1,353,409	460,734	485,150	408,581
568,549	570,268	626,835	648,879	654,996	695,384
8,850	15,949	1,343,445	2,356,466	353,204	2,737,132
750,000	820,000	940,000	982,214	1,133,049	1,184,647
702,849	324,814	422,208	425,600	408,816	360,493
0	144,116	0	0	0	0
38,633,711	40,466,693	43,491,663	48,865,785	46,856,040	52,142,914
3,400,870	4,721,012	(2,229,324)	(2,451,167)	1,188,505	(1,486,156)
247,800	50,753	600	0	0	0
0	9,996,603	0	0	0	3,562,114
0	0	606,000	0	0	0
0	(10,217,038)	0	0	0	0
0	0	0	918,117	0	0
0	0	0	0	0	0
277,120	271,039	314,432	296,873	234,972	116,963
(385,080)	(343,302)	(290,769)	(296,873)	(234,972)	(116,963)
139,840	(241,945)	630,263	918,117	0	3,562,114
\$3,540,710	\$4,479,067	(\$1,599,061)	(\$1,533,050)	\$1,188,505	\$2,075,958
3.76%	2.83%	3.23%	3.03%	3.32%	3.13%

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

Collection Year	Real Estate			Tangible Personal		
	Assessed Value			Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total			
1997	\$254,689,590	\$207,785,750	\$462,475,340	\$1,321,358,114	\$175,425,395	\$701,701,580
1998	281,995,550	218,696,960	500,692,510	1,430,550,029	168,251,180	673,004,720
1999	283,906,660	224,721,410	508,628,070	1,453,223,057	162,002,170	648,008,680
2000	285,752,010	226,602,230	512,354,240	1,463,869,257	163,417,945	653,671,780
2001	328,540,310	253,970,390	582,510,700	1,664,316,286	171,559,371	686,237,484
2002	331,671,010	255,673,720	587,344,730	1,678,127,800	176,119,963	704,479,852
2003	335,640,150	266,954,490	602,594,640	1,721,698,971	165,250,542	661,002,168
2004	368,986,650	278,766,770	647,753,420	1,850,724,057	163,953,315	655,813,260
2005	370,753,750	275,375,240	646,128,990	1,846,082,829	171,667,792	686,671,168
2006	373,351,700	275,230,390	648,582,090	1,853,091,686	170,826,004	683,304,016

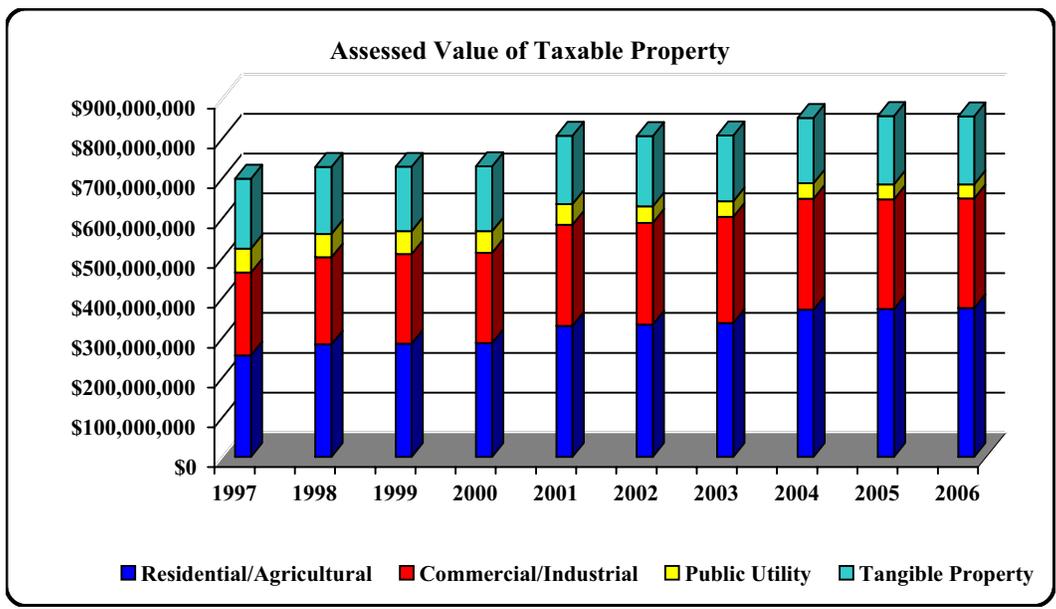
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$60,347,010	\$68,576,148	\$698,247,745	\$2,091,635,842	\$50.05012
58,651,190	66,649,080	727,594,880	2,170,203,828	38.35946
57,620,420	65,477,750	759,951,942	2,166,709,487	37.40621
53,750,330	61,079,920	729,522,515	2,178,620,958	43.93583
51,899,040	58,976,182	805,969,111	2,409,529,952	41.19203
41,718,240	47,407,091	805,182,933	2,430,014,743	41.03137
38,787,420	44,076,614	806,632,602	2,426,777,753	45.08381
38,882,620	44,184,795	850,589,355	2,550,722,113	44.24724
37,778,070	42,929,625	855,574,852	2,575,683,622	49.48612
35,524,420	35,524,420	854,932,514	2,571,920,122	50.05012



Bedford City School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Eight Years (1)

	1999	2000	2001	2002
Unvoted Millage				
Operating	\$4.620000	\$4.620000	\$4.620000	\$4.620000
Voted Millage - by levy				
1976 Operating - continuing	29.300000	29.300000	29.300000	29.300000
Effective Millage Rates				
Residential/Agricultural	8.550700	8.545900	7.443300	7.421300
Commercial/Industrial	14.416400	14.458500	13.058200	13.052600
Tangible/Public Utility Personal	29.300000	29.300000	29.300000	29.300000
1983 Operating - continuing	6.600000	6.600000	6.600000	6.600000
Effective Millage Rates				
Residential/Agricultural	3.872300	3.870100	3.370800	3.360800
Commercial/Industrial	4.843100	4.857300	4.386800	4.385000
Tangible/Public Utility Personal	6.600000	6.600000	6.600000	6.600000
1986 Operating - continuing	5.000000	5.000000	5.000000	5.000000
Effective Millage Rates				
Residential/Agricultural	3.096400	3.094700	2.695400	2.687400
Commercial/Industrial	3.851000	3.862200	3.488200	3.486700
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000
1988 Bond (\$2,000,000)	0.170000	0.170000	0.170000	0.170000
1991 Operating - continuing	5.000000	5.000000	5.000000	5.000000
Effective Millage Rates				
Residential/Agricultural	3.632100	3.630000	3.161700	3.152300
Commercial/Industrial	4.141200	4.153300	3.751000	3.749400
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000
1991 Permanent Improvement	1.000000	1.000000	1.000000	1.000000
Effective Millage Rates				
Residential/Agricultural	0.726400	0.726000	0.632300	0.630500
Commercial/Industrial	0.828200	0.830700	0.750200	0.749900
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000
1992 Bond (\$12,000,000)	1.410000	1.410000	1.310000	1.310000
1995 Operating - continuing	4.600000	4.600000	4.600000	4.600000
Effective Millage Rates				
Residential/Agricultural	4.178200	4.175800	3.637100	3.626300
Commercial/Industrial	4.425500	4.438500	4.008600	4.006900
Tangible/Public Utility Personal	4.600000	4.600000	4.600000	4.600000
1999 Operating - continuing	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2004 Operating - continuing	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
Total Effective Voted Millage by type of property				
Residential/Agricultural	34.085400	34.180500	30.923000	30.910500
Commercial/Industrial	32.505400	32.600500	29.443000	29.430500
Tangible/Public Utility Personal	53.080000	53.080000	52.980000	52.980000

2003	2004	2005	2006
<u>\$4.620000</u>	<u>\$4.620000</u>	<u>\$4.620000</u>	<u>\$4.620000</u>
29.300000	29.300000	29.300000	29.300000
7.420200	6.759800	6.758900	6.767100
13.045900	12.855900	12.957500	12.976200
29.300000	29.300000	29.300000	29.300000
6.600000	6.600000	6.600000	6.600000
3.360300	3.061200	3.060800	3.064500
4.382700	4.318900	4.353000	4.359300
6.600000	6.600000	6.600000	6.600000
5.000000	5.000000	5.000000	5.000000
2.687000	2.447900	2.447500	2.450500
3.484900	3.434100	3.461300	3.466300
5.000000	5.000000	5.000000	5.000000
0.170000	0.170000	0.170000	0.170000
5.000000	5.000000	5.000000	5.000000
3.151800	2.871300	2.870900	2.874400
3.747500	3.692900	3.722100	3.727500
5.000000	5.000000	5.000000	5.000000
1.000000	1.000000	1.000000	1.000000
0.630400	0.574300	0.574200	0.574900
0.749500	0.738600	0.744400	0.745500
1.000000	1.000000	1.000000	1.000000
1.310000	1.310000	1.310000	1.310000
4.600000	4.600000	4.600000	4.600000
3.625700	3.303100	3.302600	3.306600
4.004800	3.946500	3.977700	3.983400
4.600000	4.600000	4.600000	4.600000
4.900000	4.900000	4.900000	4.900000
4.252100	3.873700	3.873200	4.900000
4.421300	4.356900	4.391300	4.900000
4.900000	4.900000	4.900000	4.900000
0.000000	0.000000	4.900000	4.900000
0.000000	0.000000	4.900000	4.900000
0.000000	0.000000	4.900000	4.900000
35.147400	34.340600	39.469200	40.538200
33.836600	33.343800	38.507300	39.058200
<u>57.880000</u>	<u>57.880000</u>	<u>62.780000</u>	<u>62.780000</u>

(continued)

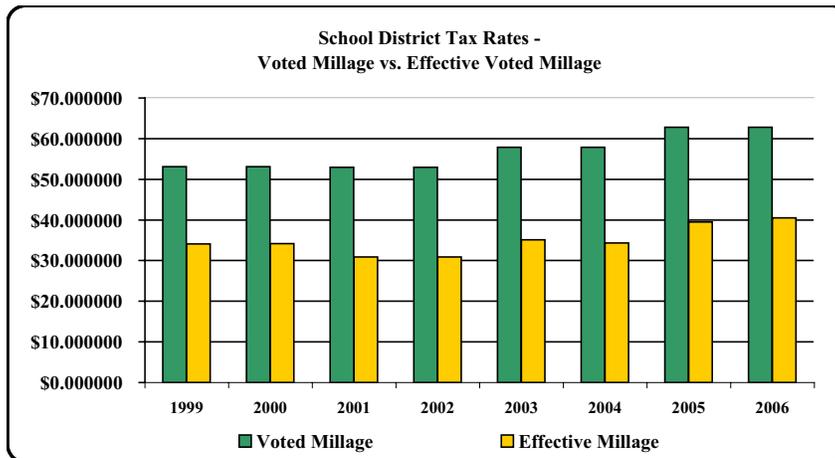
Bedford City School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Eight Years (1)

	1999	2000	2001	2002
Total Millage by Type of Property				
Residential/Agricultural	\$38.705400	\$38.800500	\$35.543000	\$35.530500
Commercial/Industrial	37.125400	37.220500	34.063000	34.050500
Tangible/Public Utility Personal	57.700000	57.700000	57.600000	57.600000
Overlapping Rates by Taxing District				
City of Bedford Heights				
Effective Millage Rates				
Residential/Agricultural	12.000000	12.000000	12.000000	12.000000
Commercial/Industrial	12.000000	12.000000	12.000000	12.000000
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
City of Bedford				
Effective Millage Rates				
Residential/Agricultural	8.920000	12.800000	12.800000	12.800000
Commercial/Industrial	8.920000	12.800000	12.800000	12.800000
Tangible/Public Utility Personal	8.920000	12.800000	12.800000	12.800000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	13.984000	14.235600	13.938900	13.916900
Commercial/Industrial	15.182300	15.265900	14.455100	14.534300
Tangible/Public Utility Personal	16.700000	16.700000	17.600000	17.600000
Oakwood Village				
Effective Millage Rates				
Residential/Agricultural	3.800000	3.800000	3.800000	3.800000
Commercial/Industrial	3.800000	3.800000	3.800000	3.800000
Tangible/Public Utility Personal	3.800000	3.800000	3.800000	3.800000
Walton Hills Village				
Effective Millage Rates				
Residential/Agricultural	0.300000	0.300000	0.300000	0.300000
Commercial/Industrial	0.300000	0.300000	0.300000	0.300000
Tangible/Public Utility Personal	3.300000	0.300000	0.300000	0.300000

Source: Office of the County Auditor, Cuyahoga County, Ohio

(1) The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S14 and S15 generated the property tax revenue received in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.



2003	2004	2005	2006
\$39.767400	\$38.960600	\$44.089200	\$45.158200
38.456600	37.963800	43.127300	43.678200
62.500000	62.500000	67.400000	67.400000

13.000000	13.000000	13.000000	13.000000
13.000000	13.000000	13.000000	13.000000
13.000000	13.000000	13.000000	13.000000

12.800000	12.800000	12.800000	12.800000
12.800000	12.800000	12.800000	12.800000
12.800000	12.800000	12.800000	12.800000

14.993200	14.497100	15.312800	16.061300
15.426100	15.794900	16.539400	17.168000
17.600000	17.850000	18.450000	18.450000

3.800000	3.800000	3.800000	3.800000
3.800000	3.800000	3.800000	3.800000
3.800000	3.800000	3.800000	3.800000

0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000

Bedford City School District
Property Tax Levies and Collections (1)
Last Nine Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	\$30,037,572	\$28,571,049	95.12%	\$1,554,914	\$30,125,963	100.29%
1998	29,930,844	28,289,144	94.52	1,229,508	29,518,652	98.62
1999	30,031,043	28,714,883	95.62	1,314,860	30,029,743	100.00
2000	34,019,081	32,225,384	94.73	762,654	32,988,038	96.97
2001	34,608,563	32,642,761	94.32	1,894,258	34,537,019	99.79
2002	34,024,245	31,964,580	93.95	1,920,631	33,885,211	99.59
2003	33,913,009	31,967,962	94.26	986,961	32,954,923	97.17
2004	34,910,147	33,137,146	94.92	4,226,193	37,363,339	107.03
2005	38,946,152	36,666,088	94.15	1,565,188	38,231,276	98.16

Source: Office of the Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not maintain delinquency information by tax year.

Bedford City School District*Principal Taxpayers**Real Estate Tax**2005 and 1996 (1)*

Name of Taxpayer	2005	
	Assessed Valuation	Percent of Real Assessed Value
Ford Motor Company	\$9,269,400	1.42%
Bear Creek Properties	6,814,270	1.05
Riser Foods Company	6,650,000	1.02
First Interstate	6,198,800	0.96
Bedford Colony Club Apartments	4,225,420	0.65
Ben Venue Laboratories, Incorporated	3,784,030	0.58
Weston Incorporated	3,702,650	0.57
Mayfred Company	3,565,230	0.55
Krick Realty LLC	3,444,100	0.53
South Point Towers Limited	3,264,420	0.50
Total	<u>\$50,918,320</u>	<u>7.88%</u>
Total Real Estate Valuation	<u>\$646,128,990</u>	
Name of Taxpayer	1996	
	Assessed Valuation	Percent of Real Assessed Value
Bear Creek Properties	\$8,316,260	1.79%
Heritage Wholesalers Incorporated	6,483,440	1.40
Mayfred Company	3,846,270	0.83
Angeles Partners XII	3,790,510	0.82
Bedford Colony Club Apartments	3,613,890	0.78
Sysco Foods	3,555,900	0.77
S.M.P. Company	2,975,010	0.64
Emes Health Care, Incorporated	2,701,440	0.59
University Hospital	2,610,620	0.56
ARV Assisted Living, Incorporated	2,006,900	0.43
Total	<u>\$39,900,240</u>	<u>8.61%</u>
Total Real Estate Valuation	<u>\$463,433,170</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.

Bedford City School District

Principal Taxpayers

Tangible Personal Property Tax

2005 and 1996 (1)

Name of Taxpayer	2005	
	Assessed Valuation	Percent of Tangible Assessed Value
Ben Venue Laboratories, Incorporated	\$25,419,510	14.81%
Ford Motor Company	19,671,030	11.46
Riser Foods Company	8,982,070	4.23
Majestic Steel Service, Incorporated	5,194,580	3.03
Weyerhaeuser Company	4,420,780	2.57
Motorcars Acquisition	4,013,443	2.33
Illinois Tool Works, Incorporated	3,530,340	2.06
Jay Pontiac, Incorporated	3,274,550	1.91
Ferro Corporation	2,861,460	1.67
Earl M. Jorgensen Company	2,569,360	1.50
Total	<u>\$79,937,123</u>	<u>46.57%</u>
Total Tangible Assessed Valuation	<u>\$171,667,792</u>	
Name of Taxpayer	1996	
	Assessed Valuation	Percent of Tangible Assessed Value
Ford Motor Company	\$32,926,280	20.18%
Rini Rego Supermarkets	10,265,580	6.29
Wilmington Trust Company	6,327,280	3.88
Ben Venue Laboratories, Incorporated	4,318,140	2.65
Ferro Corporation	4,058,570	2.49
Sherwin Williams Company	3,485,410	2.14
Picker International	3,061,650	1.88
Illinois Tool Works, Incorporated	2,646,510	1.62
ITT Automotive Incorporated	2,566,530	1.57
I. Schumann and Company	2,283,880	1.40
Total	<u>\$71,939,830</u>	<u>44.10%</u>
Total Tangible Assessed Valuation	<u>\$163,125,326</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.

Bedford City School District

Principal Taxpayers

Public Utilities Tax

2005 and 1996 (1)

2005		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$18,281,560	48.39%
American Transmission System	8,582,440	22.72
Ohio Bell Telephone Company	4,143,780	10.97
The East Ohio Gas Company	1,464,990	3.88
Norfolk Southern Combined	920,660	2.44
New Cingular Wireless PCS, LLC	410,870	1.09
New Par	410,190	1.08
Ohio Edison	397,420	1.05
Alltel Ohio Limited Partner	379,060	1.00
Sprintcom, Incorporated	169,390	0.45
Total	\$35,160,360	93.07%
Total Public Utility Valuation	\$37,778,070	
1996		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$16,603,460	27.20%
Ohio Bell Telephone Company	7,750,920	12.70
The East Ohio Gas Company	2,781,490	4.56
Total	\$27,135,870	44.46%
Total Public Utility Valuation	\$61,033,350	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.

Bedford City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	1997	1998	1999	2000
Assessed Valuation (1)	<u>\$698,247,745</u>	<u>\$727,594,880</u>	<u>\$759,951,942</u>	<u>\$729,522,515</u>
Debt Limit - 9% of Assessed Value (2)	\$62,842,297	\$65,483,539	\$68,395,675	\$65,657,026
Amount of Debt Outstanding				
General Obligation Bonds:				
Serial Library and Facilities Refunding Bonds	12,500,000	12,170,000	11,795,000	11,375,000
Facilities Acquisition	300,000	270,000	255,000	240,000
Energy Conservation	1,810,000	1,580,000	1,335,000	1,080,000
Capital Appreciation Bonds	0	0	0	0
Maintenance Facility Loan	0	0		
Less Amount Available in Debt Service	<u>(1,166,608)</u>	<u>(1,194,129)</u>	<u>(1,262,349)</u>	<u>(1,269,570)</u>
Total	13,443,392	12,825,871	12,122,651	11,425,430
Exemptions:				
Energy Conservation Bonds	<u>(1,810,000)</u>	<u>(1,580,000)</u>	<u>(1,335,000)</u>	<u>(1,080,000)</u>
Amount of Debt Subject to Limit	<u>11,633,392</u>	<u>11,245,871</u>	<u>10,787,651</u>	<u>10,345,430</u>
Overall Debt Margin	<u>\$51,208,905</u>	<u>\$54,237,668</u>	<u>\$57,608,024</u>	<u>\$55,311,596</u>
Legal Debt Margin as a Percentage of Debt Limit	81.49%	82.83%	84.23%	84.24%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$698,248	\$727,595	\$759,952	\$729,523
Amount of Debt Subject to Limit	<u>(300,000)</u>	<u>(270,000)</u>	<u>(255,000)</u>	<u>(240,000)</u>
Unvoted Debt Margin	<u>\$398,248</u>	<u>\$457,595</u>	<u>\$504,952</u>	<u>\$489,523</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	57.04%	62.89%	66.45%	67.10%
Additional Limit for Unvoted Energy Conservation Bonds				
Unvoted Legal Debt Limit - .9% of Assessed Value (1)	6,284,230	6,548,354	6,839,567	6,565,703
Amount of Debt Subject to Limit	<u>(1,810,000)</u>	<u>(1,580,000)</u>	<u>(1,335,000)</u>	<u>(1,080,000)</u>
Additional Unvoted Debt Margin	<u>\$4,474,230</u>	<u>\$4,968,354</u>	<u>\$5,504,567</u>	<u>\$5,485,703</u>

Source: Cuyahoga County Auditor and School District Financial Records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

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

2001	2002	2003	2004	2005	2006
<u>\$805,969,111</u>	<u>\$805,182,933</u>	<u>\$806,632,602</u>	<u>\$850,589,355</u>	<u>\$855,574,852</u>	<u>\$672,704,829</u>
\$72,537,220	\$72,466,464	\$72,596,934	\$76,553,042	\$77,001,737	\$60,543,435
10,910,000	9,760,000	9,130,000	8,335,000	7,500,000	6,615,000
225,000	210,000	195,000	180,000	165,000	150,000
810,000	525,000	230,000	155,000	80,000	3,562,114
0	536,300	536,300	536,300	536,300	536,300
		606,000	558,000	506,000	452,000
<u>(1,354,436)</u>	<u>(1,503,513)</u>	<u>(1,521,398)</u>	<u>(1,611,028)</u>	<u>(1,904,007)</u>	<u>(1,752,212)</u>
10,590,564	9,527,787	9,175,902	8,153,272	6,883,293	9,563,202
<u>(810,000)</u>	<u>(525,000)</u>	<u>(230,000)</u>	<u>(155,000)</u>	<u>(80,000)</u>	<u>(3,562,114)</u>
9,780,564	9,002,787	8,945,902	7,133,272	6,803,293	6,001,088
<u>\$62,756,656</u>	<u>\$63,463,677</u>	<u>\$63,651,032</u>	<u>\$69,419,770</u>	<u>\$70,198,444</u>	<u>\$54,542,347</u>
86.52%	87.58%	87.68%	90.68%	91.16%	90.09%
\$805,969	\$805,183	\$806,633	\$850,589	\$855,575	\$672,705
<u>(225,000)</u>	<u>(210,000)</u>	<u>(195,000)</u>	<u>(180,000)</u>	<u>(165,000)</u>	<u>(150,000)</u>
<u>\$580,969</u>	<u>\$595,183</u>	<u>\$611,633</u>	<u>\$670,589</u>	<u>\$690,575</u>	<u>\$522,705</u>
72.08%	73.92%	75.83%	78.84%	80.71%	77.70%
7,253,722	7,246,646	7,259,693	7,655,304	7,700,174	6,054,343
<u>(810,000)</u>	<u>(525,000)</u>	<u>(230,000)</u>	<u>(155,000)</u>	<u>(80,000)</u>	<u>(3,562,114)</u>
<u>\$6,443,722</u>	<u>\$6,721,646</u>	<u>\$7,029,693</u>	<u>\$7,500,304</u>	<u>\$7,620,174</u>	<u>\$2,492,229</u>

Bedford City School District
Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property(2)	General Bonded Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
				General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt			
1997	29,324	a	\$2,091,635,842	\$14,610,000	\$1,166,608	\$13,443,392	0.64%	\$458.44	
1998	29,324	a	2,170,203,828	14,020,000	1,194,129	12,825,871	0.59	437.38	
1999	29,324	a	2,166,709,487	13,385,000	1,262,349	12,122,651	0.56	\$413.40	
2000	29,324	b	2,178,620,958	12,695,000	1,269,570	11,425,430	0.52	389.63	
2001	27,989	b	2,409,529,952	11,945,000	1,354,436	10,590,564	0.44	378.38	
2002	27,989	b	2,430,014,743	10,944,054	1,503,513	9,440,541	0.39	337.29	
2003	27,989	b	2,426,777,753	10,080,723	1,521,398	8,559,325	0.35	305.81	
2004	27,989	b	2,550,722,113	9,278,593	1,611,028	7,667,565	0.30	273.95	
2005	27,989	b	2,575,683,622	8,442,541	1,904,007	6,538,534	0.25	233.61	
2006	27,989	b	2,571,920,122	11,119,864	1,752,212	9,367,652	0.36	334.69	

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Office of the Auditor, Cuyahoga County, Ohio

General Debt

General Bonded Debt Outstanding	Loans	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$14,610,000	\$0	\$0	\$14,610,000	0.70%	\$498.23
14,020,000	0	0	14,020,000	0.65	478.11
13,385,000	0	0	13,385,000	0.62	\$456.45
12,695,000	0	0	12,695,000	0.58	432.92
11,945,000	0	0	11,945,000	0.50	426.77
10,944,054	0	0	10,944,054	0.45	391.01
10,080,723	606,000	0	10,686,723	0.44	381.82
9,278,593	558,000	868,903	10,705,496	0.42	382.49
8,442,541	506,000	712,854	9,661,395	0.38	345.19
11,119,864	452,000	562,207	12,134,071	0.47	433.53

Bedford City School District
Computation of Direct and Overlapping
Governmental Activities Debt
December 31, 2005

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Bedford City School District			
General Obligation Bonds	\$11,119,864	100.00%	\$11,119,864
Loan	452,000	100	452,000
Capital Leases	562,207	100	562,207
Total Direct	12,134,071	100	12,134,071
Overlapping:			
Cuyahoga County			
General Obligation Bonds	224,406,000	2.79	6,260,927
Revenue Bonds	109,950,000	2.79	3,067,605
Capital Lease Obligations	8,387,000	2.79	233,997
Loans Payable	2,776,000	2.79	77,450
Regional Transit Authority			
General Obligation Bonds	139,790,000	2.79	3,900,141
City of Bedford			
General Obligation Bonds	10,780,000	34.10	3,675,980
Special Assessment Bonds	635,000	34.10	216,535
OPWC Loans	578,144	34.10	197,147
Capital Lease Obligation	15,456	34.10	5,270
Notes Payable	591,850	34.10	201,821
City of Bedford Heights			
General Obligation Bonds	5,335,000	30.97	1,652,250
Special Assessment Bonds	18,000	30.97	5,575
Capital Lease Obligation	735,534	30.97	227,795
Notes Payable	225,000	30.97	69,683
Village of Oakwood			
General Obligation Bonds	2,173,348	14.32	311,223
Special Assessment Bonds	979,652	14.32	140,286
Total Overlapping	507,375,984		19,792,176
Total	\$519,510,055		\$31,926,247

Source: Office of the Auditor, Cuyahoga County, Ohio

(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 2006 collection year.

Bedford City School District

Principal Employers

2005 and 2001

2005

Employer	City	Nature of Business or Activity	Number of Employees
Ben Venue Laboratories	Bedford	Sterile Pharmaceuticals	1,064
University Hospital Health Systems	Bedford	Health Care	969
Ford Motor Company - Walton Hills Stamping Plant	Walton Hills	Motor Vehicle Parts and Accessories	929
Giant Eagle	Bedford Heights	Retail Grocery	650
Bedford Board of Education	Bedford	Public Education	581
City of Bedford	Bedford	Municipal Government	342
U.S. Bank Leader Mortgage	Bedford	Banking Service	270
Target	Bedford	Retail	268
Sherwin Williams	Bedford Heights	Paint Products	230
Cleveland Coca-Cola Bottling	Bedford Heights	Carbonated Soft Drinks	220
Total			5,523
Total Employment within the School District			n/a

2001

Employer	City	Nature of Business or Activity	Number of Employees
Ford Motor Company - Walton Hills Stamping Plant	Walton Hills	Motor Vehicle Parts and Accessories	1,400
Ben Venue Laboratories	Bedford	Sterile Pharmaceuticals	700
Sysco Foods	Bedford Heights	Wholesale Food Distribution	600
Bedford Board of Education	Bedford	Public Education	585
Bedford Community Hospital	Bedford	Health Care	500
First National Supermarkets	Bedford Heights	Retail Grocery	400
City of Bedford	Bedford	Municipal Government	342
Tops Superstore	Bedford Heights	Retail Grocery	278
A.M. Castle Metals	Bedford Heights	Steel Service Center	230
I. Schumann and Company	Bedford	Secondary Smelting and Refining of Nonferrous Metals	200
Total			5,235
Total Employment within the School District			n/a

Source: Cities of Bedford and Bedford Heights; Harris Ohio Industrial Directory

n/a - Information prior to 2001 not available

Bedford City School District
Demographic and Economic Statistics
Last Seven Years (1)

Year	City of Bedford			City of Bedford Heights		
	Estimated Population	Total Personal Income	Personal Income Per Capita	Estimated Population	Total Personal Income	Personal Income Per Capita
2000	14,214	\$285,360,264	\$20,076	11,375	\$247,872,625	\$21,791
2001	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2002	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2003	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2004	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2005	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2006	14,214	285,360,264	20,076	11,375	247,872,625	21,791

Source 2000 U.S. Census Bureau

1) Information prior to 2000 not available

Village of Oakwood			Village of Oakwood			Unemployment Rate	Total Assessed Property Value
Estimated Population	Total Personal Income	Personal Income Per Capita	Estimated Population	Total Personal Income	Personal Income Per Capita		
3,667	\$71,169,136	\$19,408	3,667	\$96,827,135	\$26,405	5.0%	\$729,522,515
3,667	71,169,136	19,408	3,667	96,827,135	26,405	4.3	805,969,111
3,667	71,169,136	19,408	3,667	96,827,135	26,405	6.0	805,182,933
3,667	71,169,136	19,408	3,667	96,827,135	26,405	6.0	806,632,602
3,667	71,169,136	19,408	3,667	96,827,135	26,405	6.6	850,589,355
3,667	71,169,136	19,408	3,667	96,827,135	26,405	6.6	855,574,852
3,667	71,169,136	19,408	3,667	96,827,135	26,405	5.6	854,932,514

Bedford City School District*Building Statistics**Last Three Fiscal Years*

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Bedford High School			
Constructed in 1954			
Additions in 1955, 1958, 1971, 1994			
Total Building Square Footage	400,000	400,000	400,000
Media Center Square Footage	18,400	18,400	18,400
Cafeteria and Kitchen Square Footage	12,500	12,500	12,500
Auditorium Square Footage	15,000	15,000	15,000
Gymnasium (3 each) Square Footage	27,000	27,000	27,000
Pool Square Footage	10,000	10,000	10,000
Enrollment Grades 9-12	1,176	1,237	1,306
Student Capacity	1,800	1,800	1,800
Regular Instruction Classrooms	90	92	93
Regular Instruction Teachers	51	55	46
Special Instruction Classrooms	15	13	12
Special Instruction Teachers	15	13	12
Vocational Instruction Classrooms	16	16	16
Vocational Instruction Teachers	9	8	9
Heskett Middle School			
Constructed in 1968			
Total Building Square Footage	105,000	105,000	105,000
Media Center Square Footage	5,040	5,040	5,040
Cafeteria and Kitchen Square Footage	7,400	7,400	7,400
Auditorium Square Footage	4,500	4,500	4,500
Gymnasium Square Footage	8,000	8,000	8,000
Enrollment Grades 7-8	684	666	635
Student Capacity	800	800	800
Regular Instruction Classrooms	37	37	37
Regular Instruction Teachers	35	35	27
Special Instruction Classrooms	12	12	12
Special Instruction Teachers	12	12	12
Aurora Upper Intermediate School			
Constructed in 1952			
Additions in 1955, 1965			
Total Building Square Footage	65,000	65,000	65,000
Media Center Square Footage	1,700	1,700	1,700
Cafeteria and Kitchen Square Footage	3,400	3,400	3,400
Gymnasium Square Footage	2,500	2,500	2,500
Enrollment Grade 6 Only	331	291	308
Student Capacity	460	460	460
Regular Instruction Classrooms	16	18	19
Regular Instruction Teachers	12	13	10
Special Instruction Classrooms	7	5	4
Special Instruction Teachers	7	5	4

(continued)

Bedford City School District*Building Statistics (continued)**Last Three Fiscal Years*

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Carywood Intermediate School			
Constructed in 1955			
Additions in 1965			
Total Building Square Footage	44,285	44,285	44,285
Media Center Square Footage	1,200	1,200	1,200
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200
Enrollment Grades 3-5	398	378	373
Student Capacity	520	520	520
Regular Instruction Classrooms	21	25	27
Regular Instruction Teachers	15	17	13
Special Instruction Classrooms	9	5	3
Special Instruction Teachers	9	5	3
Columbus Intermediate School			
Constructed in 1962			
Additions in 1978, 1965, 2002			
Total Building Square Footage	71,125	71,125	71,125
Media Center Square Footage	1,400	1,400	1,400
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200
Gym/Auditorium Square Footage	12,000	12,000	12,000
Enrollment Grades 3-5	485	460	433
Student Capacity	525	525	525
Regular Instruction Classrooms	31	32	32
Regular Instruction Teachers	21	25	20
Special Instruction Classrooms	7	4	4
Special Instruction Teachers	7	4	4
Central Primary School			
Constructed in 1955			
Additions in 1965			
Total Building Square Footage	72,500	72,500	72,500
Media Center Square Footage	1,700	1,700	1,700
Gym, Cafeteria and Kitchen Square Footage	3,400	3,400	3,400
Enrollment Grades K-2	365	385	387
Student Capacity	520	520	520
Regular Instruction Classrooms	21	27	27
Regular Instruction Teachers	15	16	13
Special Instruction Classrooms	7	3	3
Special Instruction Teachers	7	3	3
Glendale Primary School			
Constructed in 1953			
Additions in 1959, 1966			
Total Building Square Footage	66,000	66,000	66,000
Media Center Square Footage	1,920	1,920	1,920
Cafeteria and Kitchen Square Footage	1,430	1,430	1,430
Gymnasium Square Footage	2,400	2,400	2,400
Enrollment Grades K-2	384	391	330
Student Capacity	520	520	520
Regular Instruction Classrooms	23	25	26
Regular Instruction Teachers	15	15	12
Special Instruction Classrooms	5	5	5
Special Instruction Teachers	5	5	5

Bedford City School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
1997	3,854	4.62 %	34,463,651	\$8,942
1998	3,869	0.39	35,529,081	9,183
1999	3,883	0.36	35,134,870	9,048
2000	3,866	(0.44)	34,728,203	8,983
2001	3,842	(0.62)	37,180,862	9,677
2002	3,720	(3.18)	39,177,763	10,532
2003	3,637	(2.23)	42,129,455	11,584
2004	3,912	7.56	47,457,971	12,131
2005	3,680	(5.93)	45,314,175	12,314
2006	3,908	6.20	50,597,774	12,947

(1) Debt Service totals have been excluded.

(2) The School District implemented GASB-34 in fiscal year 2001.

Governmental Activities	
Total Expenses (2)	Per Pupil Cost
N/A	N/A
37,793,574	9,837
40,606,923	10,916
40,618,687	11,168
47,119,876	12,045
45,125,477	12,262
49,088,059	12,561

Bedford City School District
School District Employees by Function/Program
Last Eight Fiscal Years

Function/Program	1999	2000	2001	2002
Regular Instruction				
Elementary Classroom Teachers	102	101	106	107
Middle School Classroom Teachers	38	36	36	34
High School Classroom Teachers	62	56	55	54
Special Instruction				
Preschool Teachers	4	4	4	4
Elementary Classroom Teachers	21	23	23	25
Gifted Education Teachers	1	1	1	1
Middle School Classroom Teachers	7	6	9	6
High School Classroom Teachers	8	9	9	9
Vocational Instruction				
High School Classroom Teachers	19	18	17	17
Pupil Support Services				
Guidance Counselors	10	9	10	9
Librarians	2	2	2	2
Psychologists	3	3	3	3
Speech & Language Pathologists	3	3	3	4
Administrators				
Elementary	5	5	5	5
Middle School	3	3	3	3
High School	5	5	5	5
Districtwide	16	16	18	19
Operation of Plant				
Custodians	44	41	41	41
Maintenance	9	8	8	8
Pupil Transportation				
Bus Drivers	60	54	55	61
Bus Aides	12	13	13	14
Mechanics	5	5	5	5
Food Service Program				
Elementary Cooks	11	11	11	11
Middle School Cooks	10	10	10	10
High School Cooks	16	17	18	18

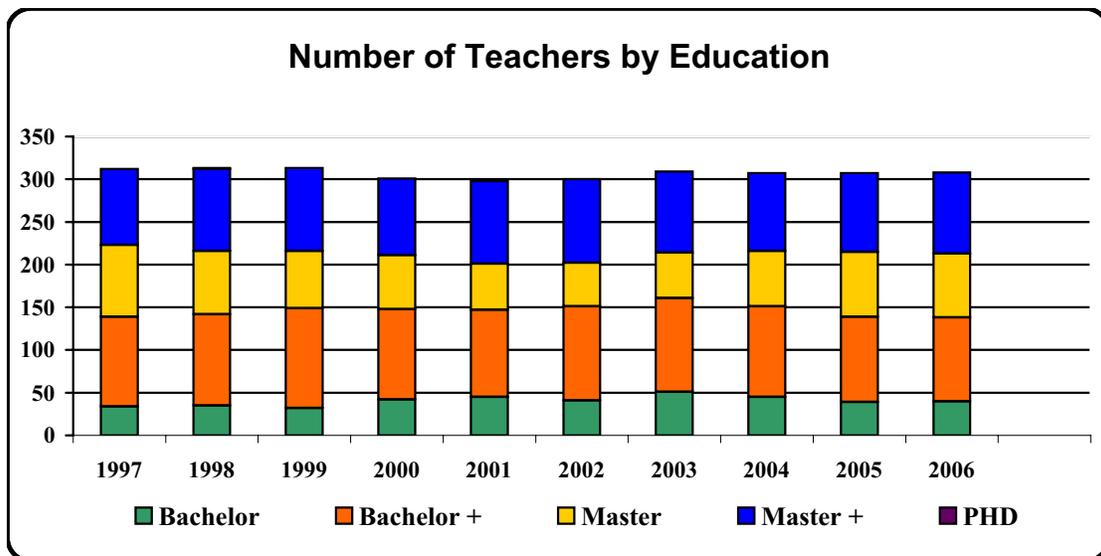
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 1999 is not available.

2003	2004	2005	2006
107	101	107	95
32	35	35	35
57	58	56	60
4	3	2.5	2.5
22	30	28	27
1	1	1	1
8	9	11	12
10	11	12	12
18	18	14	17
9	9	9	11
2	2	4	2
3	3	3.5	4
4	4	4	4
5	5	5	5
3	3	3	3
5	5	5	5
19	17	19	16
40	40	39	40
8	8	8	8
67	68	60	59
20	15	18	16
5	5	5	5
12	13	12	11
10	10	10	10
18	18	18	18

Bedford City School District
Full-Time Equivalent Certified School District Employees by Education
Last Ten Fiscal Years

Degree	1997	1998	1999	2000	2001
Bachelor	34	35	32	42	45
Bachelor Including 150 Hours	74	80	83	75	65
Bachelor Including 180 Hours	31	27	34	31	37
Master	84	74	67	63	54
Master +9	36	40	39	39	43
Master +18	10	11	14	9	12
Master +27	15	15	12	13	11
Master +36	12	11	11	8	9
Master + 45	16	19	16	15	16
Master + 54	0	0	5	6	6
PhD	1	0	0	0	0
Total	313	312	313	301	298



Source: School District Records

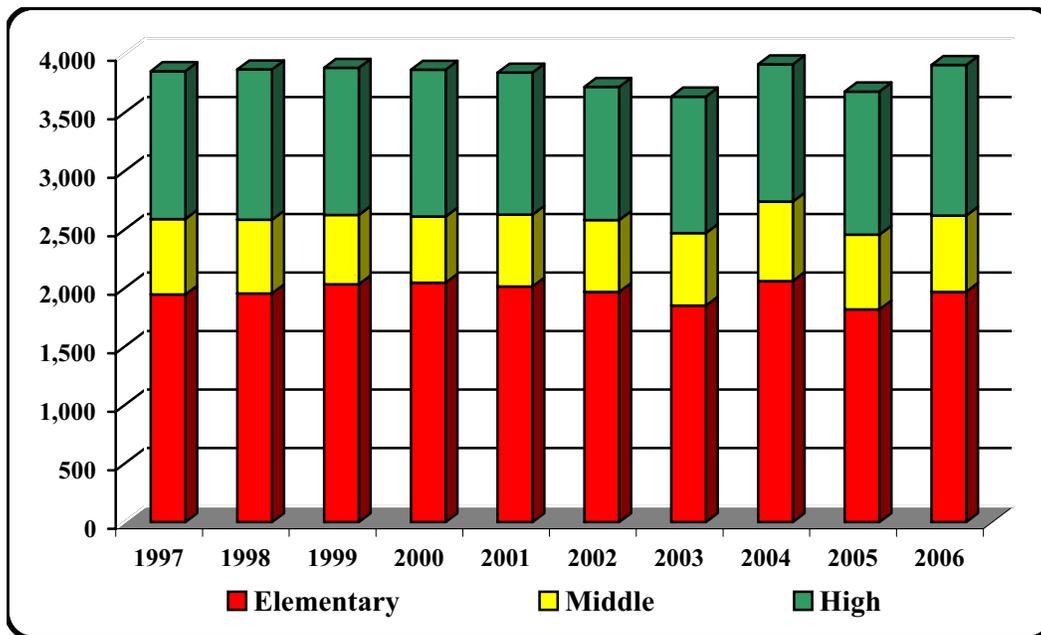
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
41	51	45	39	40
68	67	63	63	59
42	43	43	37	39
51	53	65	76	75
40	43	40	39	36
17	14	13	12	17
10	12	13	11	11
9	6	6	6	7
16	14	14	16	16
6	6	5	8	8
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>300</u>	<u>309</u>	<u>307</u>	<u>307</u>	<u>308</u>

Bedford City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
1997	1,945	646	1,263	3,854
1998	1,955	629	1,285	3,869
1999	2,032	593	1,258	4,049
2000	2,047	564	1,255	3,866
2001	2,013	615	1,214	3,842
2002	1,967	614	1,139	3,720
2003	1,851	618	1,168	3,637
2004	2,061	677	1,174	3,912
2005	1,817	640	1,223	3,680
2006	1,969	650	1,289	3,908



Source: Bedford City School Records

Bedford City School District
Attendance and Graduation Rates
Last Nine Fiscal Years

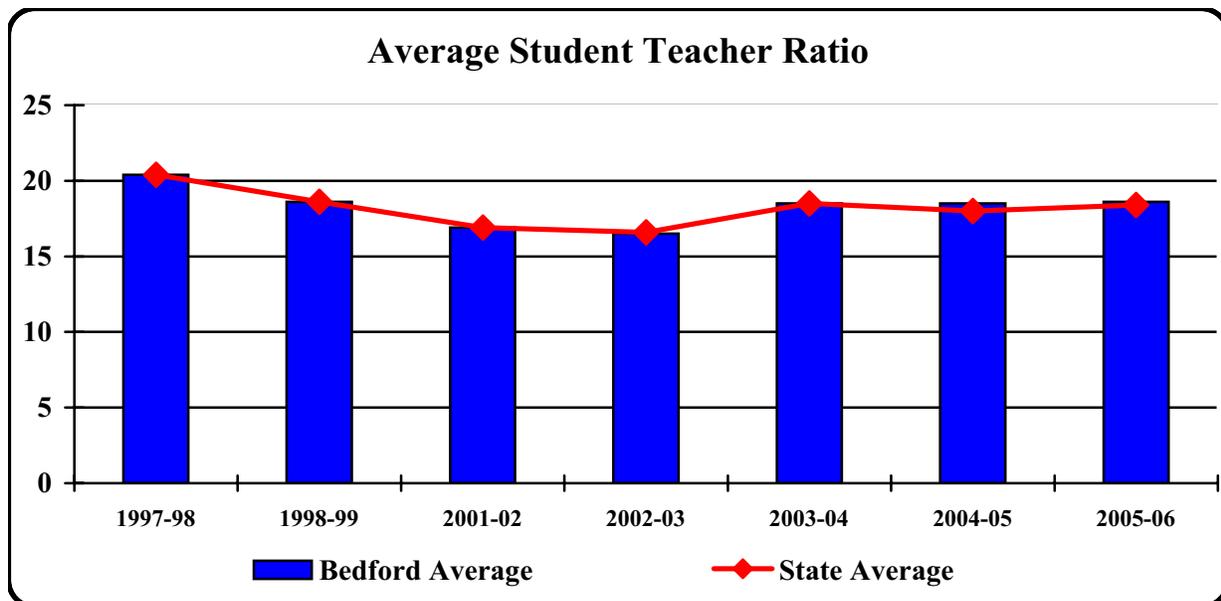
Fiscal Year	Bedford City School District Attendance Rate	State Average	Bedford City School District Graduation Rate	State Average
1998	93.90%	93.90%	71.30%	79.90%
1999	93.70	93.50	85.70	81.40
2000	93.50	93.60	74.60	80.70
2001	93.00	93.90	84.80	81.20
2002	93.70	94.30	76.50	82.80
2003	94.40	94.50	76.50	83.90
2004	94.90	94.50	78.60	84.30
2005	95.00	94.30	86.20	85.90
2006	95.20	94.10	90.40	86.20

Source: Ohio Department of Education Local Report Cards

Bedford City School District
Average Number of Students per Teacher
Last Nine School Years

School Year	Bedford Average	State Average
1997 - 1998	20.4	20.4
1998 - 1999	18.6	18.6
1999 - 2000	18.1	18.1
2000 - 2001	18.0	18.0
2001 - 2002	16.9	16.9
2002 - 2003	16.5	16.6
2003 - 2004	18.5	18.5
2004 - 2005	18.5	18.0
2005 - 2006	18.6	18.4

Source: Ohio Department of Education, EMIS Reports





**Auditor of State
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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 16, 2007**